

CONTRACT WHEREBY UNIVERSAL LIFE NOW HANDLES WOODMEN OF UNION BUSINESS MEETS WITH APPROVAL

**Companies Are First Negro Ones To Enter Into
Their Kind Of Agreement; Action Okayed
By Insurance Commissioners And Court**

HOT SPRINGS, Ark.—(ANP)—With the approval of the insurance commissioners of Tennessee and Arkansas and the Chancery Court of Arkansas, the Universal Life Insurance Company of Memphis, Tennessee, is given sole authority in the handling of the business of the Woodmen of Union Insurance Company of Hot Springs, Arkansas.

Insurance men state that very few insurance businesses have been brought together under such a unique reinsurance and trusteeship contract such as has been mutually and agreeably arranged by these two Negro concerns the personnel of whose leadership represents outstanding and successful individuals. The history of the Woodmen of Union Life Insurance Company and of its absorption of the Century Life Insurance Company are already

Woodmen of Union Life is a Company with over \$1,000,000 in real assets. The officers of Universal Life are confident that policyholders will be protected and all personal claims paid on a basis of 100 per cent. Such payments may be worked out on a deferred plan.

Commend Officers

The officers of the Woodmen of Union Life Insurance Company are being commended because, despite rumors based on many false premises, they secured the sympathy and cooperation of the insurance commissioners in the two states, as well as the approval by a recognized court of law, and because the leadership is to be taken over by a Negro corporation of unusually sound and favorable reputation.

Throughout the country the Woodmen of Union of Hot Springs has become well known, not only because of the thousands who have at one time or another held membership with the affiliated bodies and contracts with the insurance company, but also for the humanitarian and welfare features which the officers

of the Woodmen of Union have carried out. Their very large and spacious hotel building in Hot Springs, Arkansas, with the splendidly equipped hospital facilities and radioactive water baths are well known.

The Universal Life insurance company of Memphis is a corporation organized about ten years ago and during its development has taken over the industrial business, by purchase, of the old Mississippi Life, the Great Southern of Arkansas, the Continental Globe of Tennessee, a mutual company of Texas and a mutual company of Louisiana.

Universal Strong Company

Universal Life has a surplus of \$126,000 as against a capital fully paid up of \$108,000. It carries \$20,000,000 insurance in force. As the mortality in connection with their business amounts to 4 per cent less than expectancy, they have been able to continue to carry cash on hand to more than pay all applications daily.

They now operate in Missouri, Oklahoma, Arkansas, Tennessee, Louisiana, and Mississippi.

The consensus of opinion in Negro business circles is that the Woodmen of Union Life officers have rendered a service to their policyholders and their racial group in being able to successfully complete the adjustment by this contract with Universal Life.

The arrangement thus far represents perhaps the third or fourth such contract of this type insurance company, and the first of its kind between two Negro companies. The headquarters for the business of the Woodmen of Union Insurance will in the future be located at the headquarters of Universal Life in Memphis.

Not A Merger

Dr. J. E. Walker, president of Universal Life Insurance Company

here, announced Sept. 21, that his organization had effected the arrangement.

Universal is said not to be merging with Woodmen Union. It has agreed to administer the company, collect the premiums upon its outstanding business, and to seek diligently to conserve its assets.

The Woodmen of Union Company is saved from going into receivership, suits for which were brought some months ago.

John L. Webb, who sought three years ago to circumvent the decline of fraternal insurance, affecting the Woodmen of Union, and to aid the youthful Century Life by merging the two organizations, retires from the field.

Life.
RISHER AND SMITH UNDER
Case 6-3-32
\$10,000 BONDS FOR FRAUD

WASHINGTON. — (ANP) — The grand jury of the District Columbia Tuesday, May 31, returned indictments against John T. Risher, former president of the National Benefit Life Insurance company, Mortimer F. Smith, former comptroller, and Daniel Gary, partner of Risher's in the real estate business, charging them with conspiracy to embezzle \$450,000 from the National Benefit company.

The money, it is alleged, was to be used in completing the local Masonic temple which both Risher and Gary financed. It was also alleged that the money was advanced Risher and Gary while the Ruth-erfords were in control of the National Benefit.

Both have been placed under bonds of \$10,000 each, signed by professional bondsmen.

**Risher Removed
 As Whitelaw
 Hotel Receiver**

East Tennessee News

WASHINGTON, D. C.—John A. Risher, former president of the National Benefit Life Insurance Company, was removed as receiver of the Whitelaw Apartments House Company, owners of the Whitelaw Hotel, located at 13th and T Sts., Northwest, following a hearing which took place in motions division of the Supreme Court of the District of Columbia June 28-29 *7/7/32*

The motion to dismiss Risher was made by attorneys for Robert W. Robinson on the grounds that an indictment had been returned against Risher

At the hearing Monday Justice Jesse C. Adkins indicated that he would remove Risher, but heard the argument for Risher's retention made by counsel on Tuesday

morning, who pointed out that the records showed that Mr. Risher had taken over the hotel in a run-down condition and made it a credit to the community and that he had faithfully accounted for every cent earned during his management

Judge Adkins ruled to remove Risher on the grounds that it was not the policy of the court to continue as an officer of the court in a fiduciary capacity, a person who was under indictment in another branch of the court, especially when he was objected to by one of the parties of the suit.

Augustus W. Gray and Charles S. Cuney, attorneys, were favorably considered as successors by the court. Their appointment will be made as soon as the necessary papers are prepared by counsel, the court indicated.

Levi David, attorney for Mr. Risher, plans to appeal from the ruling of the court.

Risher Admits That Moton, Finley Wilson, Were Given Shares

Man Who Executed Coup With Two Gift Shares and
Became Head of Insurance Company Gives Testi-
mony—Defends \$25,000 Commission.

WASHINGTON, D. C., Feb. 18.—The testimony of John T. Risher, a broker, who executed a coup with two gift shares of stock of the National Benefit Life Insurance Company and became its president, is the high light of the third week of the trial in the equity division of the District Supreme Court of the suit for a receivership brought by John R. Pinkett, vice president, against the company.

A part of the testimony of Risher related to his naming men to whom were given two shares of National Benefit stock in order that they might be eligible for election as directors. Included among the names of nationally known men who were elected directors February 26th, last, and given stock in order to qualify, were: R. R. Moton, president of Tuskegee Institute; J. Finley Wilson, grand exalted ruler of the Improved Benevolent and Protective Order of Elks of the World, and Dr. C. C. Dejoie, president of an insurance company, New Orleans, La.

Risher also defended his receipt of a commission of \$25,000 in the financing of the purchase and completion of the unfinished Masonic Temple building at Tenth and U streets northwest. He stated that he was acting merely as a broker in that transaction.

He was called to the stand as a witness for the company. When his direct examination was concluded, a grueling cross examination was begun by attorneys for former officers of the company who were allowed to intervene in the suit.

NAT. BENEFIT RECEIVERSHIP PERMANENT

Judge Finds Company
Insolvent; Defers
Dissolution
3-5-32
OLD OFFICERS MUST GO
Court Gives Time For
Rehabilitation
Movement

Special to Journal and Guide
WASHINGTON, D. C.—Gilbert A. Clark, an actuary of the Equitable Life Insurance Company, and Frank B. Bryan, Jr., deputy superintendent of insurance of the District of Columbia, both white, were appointed permanent receivers of the National Benefit Life Insurance Company by Justice Daniel W. O'Donoghue in the

District Supreme Court Monday.

The judge found the company insolvent, but did not state in the decree appointing the receivers the extent of the insolvency.

The appointments were made in the proceedings instituted by John R. Pinkett, second vice president and manager of agencies of the company for a receivership and dissolution of the corporation. Daniel C. Roper white, was appointed temporary receiver September 24, but he resigned when Justice O'Donoghue indicated two weeks ago that he would appoint a co-receiver.

Intervening Defendants

Counsel for Mr. Pinkett and the company had sought to make the temporary receivership permanent. A co-receivership was asked by intervening defendants, R. H. Rutherford, former president; S. W. Rutherford, former chairman of the board of directors; Louis C. Washington, vice president and comptroller; Charles B. Lee, treasurer; Dr. William A. Warfield, former medical director; and Dr. William G. Lofton, assistant medical director.

Under the order of appointment the permanent receivers are given full power to carry on the business and administer the affairs of the company except that no new insurance is to be written.

Old Officers Out

They are also empowered to employ or discharge any counsel, agents, assistants, clerks and other employees and fix their compensation, except that no present or former officer or director of the company is to be retained by them after March 31.

Five persons, John T. Risher, president; John R. Pinkett, James C. Arnold, secretary; Mortimer F. Smith, former vice president and comptroller, and Huver I. Brown, counsel for the company, will be affected by this provision.

All other former or present officers have been either forced to resign or dismissed.

The receivers are directed to have a detailed and complete actuarial report and account of the company made as soon as possible by a competent and experienced actuary and accountant selected by them and approved by the court. They are to file a report embodying the actuarial report and account as soon after it is made as may be possible.

Dissolution Deferred

Justice O'Donoghue deferred any decree for dissolution of the company until after the filing of the receivers' report containing the actuarial report and account.

He did this to afford opportunity to the company, its officers, stockholders and policyholders to formulate and effectuate any plan for the rehabilitation of the company or its reorganization, independently or with the cooperation of the receivers, subject to the approval of the court.

All officers, employees, and other

persons having knowledge of the decree are enjoined from interfering with the receivers in the exercise of their powers and the performance of their duties. Bond of the receivers was fixed at \$100,000.

Justice O'Donoghue reserved "the power and authority to make any and all further orders or decrees as may be necessary or proper in the premises."

Charge Note Overdue

WASHINGTON, D. C.—(Special)—Robert H. Rutherford, Mortimer newspaper reports announced that F. Smith and Samuel W. Rutherford, the case of John R. Pinkett vs. National Benefit Life Insurance Company, were named as defendants in a suit on a promissory note for \$20,695.30 brought by Edwin C. Nelson, New York City, in the District Supreme Court last Saturday.

In his declaration the plaintiff stated that the three defendants made and delivered to Miles M. Dawson and Son, Inc., a New York corporation, on June 8 last, a promissory note, payable on demand, for \$20,695.30, at 500 Fifth Avenue, New York City, with interest at 6 percent from date until paid. The note is now past due.

The note was endorsed by the payee, Miles M. Dawson and Son, Inc., to the plaintiff and delivered to him, he states. He took the note in good faith, he claims, and paid value for it without notice.

Demand on the defendants for payment of their note has been made, but no part of the note has been paid, the plaintiff states.

Says Collateral Sold

The defendants deposited voting certificates representing 1,000 shares of the capital stock of the National Benefit Life Insurance Company as security for the payment of the note, the plaintiff says, but he was given the option to enforce collection by suit. The collateral has not been sold and is still intact, he states.

Miles M. Dawson and Son, Inc., to whom the note was made payable, is one of the defendants named in the suit brought by the National Benefit Life Insurance Company against its former officers and directors for cancellation of stock, injunction, accounting, and other relief.

Alfred B. Dawson, who committed suicide, was a member of this firm and did the actuarial work of the National Benefit Life Insurance Company. It is charged that he conspired with other defendants to misrepresent the financial condition of the company and to make it appear that it was in a good condition.

The suit was filed through Attorney George Francis Williams.

WASHINGTON.—(CNS)—Hov. ering around Justice O'Donoghue's Court after the decision in the Pinkett vs. National Benefit Company were a number of well known National Benefit witnesses to appear in a Whitelaw Hotel controversy. R.

W. Robinson is the defendant in a suit brought by the Whitelaw Apartment Company. Mr. Robinson some months ago bought the Whitelaw apartment property at an auction sale. He claims to have bought it in his own right but this is contested on the ground that he bought it in for the Whitelaw company of which George W. Robinson is the president, and Cicero Lee, secretary.

Equitable Proceedings

WASHINGTON.—(CNS)—Notwithstanding the fact that several newspapers reports announced that the case of John R. Pinkett vs. National Benefit Life Insurance Company was dismissed February 19, a final decree announced, Justice Daniel W. O'Donoghue, in the Supreme Court of the District of Columbia, holding an Equity Court held hearings on Tuesday, Wednesday and Thursday of last week.

As outlined in his oral opinion from the bench on Friday, February 19, the Justice gave every evidence that "the court is endeavoring to as far as possible, give the nearly 200,000 policyholders and those that are interested in them every reasonable, practical chance to save that which they may have in the National Benefit Company."

On Thursday morning the several counsels submitted their proposed findings of facts and conclusions of law and the surprise of the week came when Justice O'Donoghue said "The case came to an abrupt termination (Friday, February 19) and I gave an expression of my opinion just off hand, from the bench, without really trying to formulate it as I might have wished to do. I am not asking the discontinuation of the five men (Risher, Pinkett, Brown, Arnold and Smith) on any specific objections to them."

"I am doing that in the hope that this insurance company and the people insured in it may work this out to some successful conclusion. I do not propose that the members of any other faction shall come in. I do not think they should be named in the decree as long as it may be avoided but it is no reflection upon those whose services are to be dispensed against its former officers and directors for cancellation of stock, injunction, accounting, and other relief."

"The question in my mind is whether their services should be discontinued at once or whether they should be discontinued at the end of one month. I am thinking of the good of the company. I do not know how they feel about it. I feel if they would serve during this period of time it would help the company in getting the best results for the policyholders."

After all the several findings of facts and proposed conclusions of law and forms of decrees as submitted by the several counsels were on the court bench—he laughingly said: "And I shall have to write the decree after all." The lawyers and crowded court room joined in the laugh and an adjournment was taken until Monday morning, February 29.

O'Donoghue announced the decree in which time Judge may be represented in a general company would be known as the "National Benefit Company of Virginia," and be incorporated under the laws of the state of Virginia. Attorneys Leon M. Brazille and W. D. Cardwell, white, are receivers for the National Benefit in Virginia. The plan can go is yet uncertain.

Richmond and conferred with local stockholders to the end that they

O'Donoghue announced the decree in meeting of National Benefit stockholders in Washington, Dr. A. A. Virginia," and be incorporated under company, as already outlined.

H. Braxton, local physician, and John the laws of the state of Virginia.

New Company Proposed

RICHMOND, Va.—(ANP)—Referred with.

cently a trio of National Benefit A new life insurance company to the National Benefit in Virginia.

stockholders in Washington visited the formed in Virginia upon the base. How far the plan can go is yet un-

Richmond and conferred with local of the business of National Benefit certain.

stockholders to the end that they Life in Virginia was proposed. The

THE NATIONAL BENEFIT



AFTER much litigation, wrangling, and gossip, it appears that the actual financial status of the National Benefit has been established. According to recent findings of the Court, the once powerful and much vaunted National Benefit is insolvent.

We are not concerned with personalities nor individuals. It is useless to discuss the honesty or dishonesty of men and women after financial losses have been sustained. Crooks and thieves are not expected to admit their guilt. Usually it requires a great deal of litigation and the testimony of many witnesses to establish the guilt of crooks. We are interested, however, in the two hundred thousand or more Negroes who have invested their money in National Benefit policies. Here is the rub.

Time was when the name of Rutherford stood high on the scroll of financial achievement in this country. National Benefit was considered, perhaps, the largest insurance business operated and supported by Negroes. Holdings in several States in the Union testified to the far-reaching influence of National Benefit dollars. Men and women in almost every section of the country held insurance policies to which they looked for comfort and ease in their retiring years. Little children, early after birth, were insured with the National Benefit and were taught that as they grew older, their holdings in National Benefit would multiply and in the end represent a definite accumulation.

The mighty has fallen. National Benefit is insolvent. The men who built it are no longer held in high esteem, but are looked upon as men who have squandered millions and millions of hard-earned Negro dollars. Whether the management of National Benefit was in the hands of ignorant men or dishonest men does not matter now. The thing that matters now is the fact that all is lost. If ignorant men squandered our millions, they are just as much lost millions as if dishonest men had squandered those same millions. In short, an eye is an eye, and once the sight is lost, it matters little how it was lost.

Such unwholesome examples as the National Benefit and the now forgotten Standard Life of Atlanta do us no good as a struggling people. We have no money to lose, whether lost by ignorant men or dishonest men. In addition to losing our money, we lose confidence, which is really worse than the loss of the money. When people lose confidence in themselves, it does not matter how the confidence is lost, the wreckage is identically the same. It will be very difficult for the other insurance companies of our group to solicit business in the face of the record recently made by National Benefit. It will be exceedingly difficult for colored men and women to believe that it is safe for them to invest their money in Negro insurance companies. This is the sad part of it.

We are not anxious to hold any man or set of men up to public ridicule. As we stated above, the individual does not matter. Men are either honest or they are not honest, and it does not help the situation to discuss the dishonesty of men after we have lost our all. What we must hold up before the public, however, is the necessity for a better selection of men and women to head our financial institutions. It appears that we have attempted to operate million dollar institutions with men who have not the mental capacity nor the training to deal in millions. We must not give up. One or two failures, indeed several, may be expected, but what we need above all is to be more careful in the selection of the men and women who head

our business and financial institutions looking to the group for support. The passing of the National Benefit ought to be sufficient to serve us for the next half century as a glaring example of incompetent and perhaps dishonest men in high places.

NEW RECEIVERS ASSUME DUTIES WITH NATIONAL BENEFIT LIFE

Washington, D. C.—(ANP)—The National Benefit Life Insurance Company is settling down again after another of the cataclysmic shakeups which have characterized its existence during the past few months. A new set of officials is steering the ship and it seems apparent that their tenure of office will continue for some time, for Gilbert A. Clark and Frank B. Bryan, Jr., appointed three weeks ago as permanent receivers by Justice O'Donoghue of the District of Columbia Supreme Court have assumed office and taken command.

John T. Risher, president; John R. Pinkett and James C. Arnold, who have been guiding the destinies of the organization during the regime of the temporary receiver, Daniel C. Roper, but who under the decree of the court are stopped from serving after March 31, are still on hand helping the new receivers get a grasp upon the maze of the company's affairs.

Company Status Still in Doubt

The true status of the company remains in doubt. Its exact financial condition is yet unknown. While the court said that enough testimony had been given to show that it was insolvent the figures submitted were not accepted as final. The company is not writing new business but every effort is being made to conserve what business is already on the books and the promise is made that every effort will be made to avoid losses to those policyholders who are keeping up their premiums. The new receivers say they have formed no opinions as yet. They have just entered the job and have scarcely got their bearings.

"I have no statement to make as yet," Mr. Clarke told an interviewer Thursday. "We accepted this appointment because we were asked to do so by the court and because we felt that we could perform a worthwhile service. Our first task will be to discover just what the condition of the company is. In order to do this we have engaged one of America's foremost actuarial firms, Fackler and Breiby, to make a definite and complete examination of the company's condition as well as a valuation of its assets. At the earliest possible moment we will advise the policyholders and stockholder as well as the public what the condition of the company is. At that time we will make a complete statement telling what may be expected. We have some plans in mind but do not wish to disclose them until we know they are workable."

CLARK AND BRYAN RECEIVERS FOR THE NATIONAL BENEFIT

All Old Officers To Be Dismissed After March 31

The resignation of Daniel C. Roper, receiver for the National Benefit Life Insurance Company, was accepted by Justice Daniel W. O'Donoghue in Equity Court of the Supreme Court of the District, on Monday morning and two receivers were appointed by the court.

The new receivers are Gilbert A. Clark, actuary of the Equitable Life Insurance Company of Washington, and Frank B. Bryan, First Deputy Superintendent of the District of Columbia Insurance Department.

In delivering his final decree Justice O'Donoghue only stated that the new receivers had been named and Mr. Roper had resigned. He made no further comment on the now famous case. It was rumored about the court room that lawyers on both sides were prepared to stage a stiff battle, but all controversy was nipped in the bud as Justice O'Donoghue had typewritten copies of his decree distributed to various parties involved and immediately went about trying another case. Lawyers and spectators hung around the court room fully five minutes before it dawned on them that the case so far as this particular angle was involved, was settled.

The final decree was drafted and presented by Justice O'Donoghue when lawyers on both sides failed to agree on a final document. Justice O'Donoghue postponed Friday's session after a half-day argument by attorneys trying to agree on a final document. The court instructed that it would draw up the decree.

In the matter of hiring former or present officers the decree provided that the receivers have full power to carry on the business and to employ or discharge such counsel, agents, assistants, clerks or other employees and fix their compensation provided no present or former officer or director of the company shall be retained in their employment after March 31, 1932.

A detail examination is to be made, but no new business is to be written. The receivers are to post bond of \$100,000 each. The receivers appointed by Justice O'Donoghue established officers in the National Benefit Life Insurance Company early this week and went to work.

Franklin A. Bryan, co-receiver, told the Tribune this week that he had resigned his position as first deputy superintendent of the District to devote his full time to the National Benefit.

Receiver Gilbert A. Clark also has his office in the National Benefit Building. Mr. Bryan said the receivers had employed Attorney John E. Laskey and Attorney M. O'Brien under the receivership. Mr. O'Brien represented John R. Pinkett, second vice-president of the company, in his suit for a permanent receiver while Mr. Laskey was attorney for S. W. Rutherford and his son, R. H. Rutherford, former officers of the company.

Mr. Bryan said no officers of the company will be dismissed until after March 31. This will be in conformity with the order of the court setting forth that no present or former officers or directors be employed after that date.

The statement by Mr. Bryan means that John T. Risher will remain president until April 1. Other officers to go after that date will be John R. Pinkett, Huver I. Brown, company counsel; Mortimer F. Smith, and M. Arnold.

RECEIVERS APPOINTED FOR NATIONAL BENEFIT

WASHINGTON, March 7 (ANP)—

Judge O'Donoghue of District Supreme Court has appointed Gilbert Clarke, president of Equitable Life Insurance Company, District of Columbia, and Frank Bryant, Jr., assistant deputy insurance commissioner, receivers of National Benefit Life Insurance Company, succeeding Daniel C. Roper. They were directed to post a \$100,000 bond each and to rehabilitate the company, but forbidden to write new business. Former

officers were specifically excluded from having any connection with the organization and restrained from interfering.

Life

HE WANTS TO KNOW!

By Holloway

WHAT ABOUT
ME ?



Courier
4-9-32
Pittsburgh, Pa.

AND NOW THE POLICYHOLDERS

Courier 4-9-32



OME time ago we commented editorially on the sad plight of the National Benefit Life Insurance Company. We were careful to lay no charges at the doors of the men who were responsible for the management of National Benefit. We commented upon the possible discouragement which naturally follows the collapse of an institution enjoying the public confidence such as was the happy privilege of National Benefit in its balmy days.

But recent developments bring to our attention anew a phase of the whole situation which heretofore has either escaped public attention or has been skilfully concealed from the public eye. *Pittsburgh, Pa.*

We refer to the interest of the policyholders.

We have been reading of litigations, receiverships, court decrees, stockholders, and whatnot, but until last week the public had evidently forgotten that there were such things as policyholders.

There is a vast difference between a stockholder in an insurance company and a policyholder.

The recent Bill in Equity filed at the instance of a few policyholders brings to the fore the people who made the National Benefit what it was. When we stop to think of it, it is not the stockholders who pour their money into the treasury of the company, but it is the policyholders. It is the accumulation of money represented by small premiums paid in to the treasurer day in and day out, week in and week out, throughout the years that really builds the insurance company.

In all of the litigations, law suits, personal quarrels, and embarrassments which have been laid before the public during the past few months, nothing has been said in the interest of the policyholders. The stockholders are evidently anxious to continue their dividends, and the salaries of officers, but little or nothing have they said about protecting the 200,000 or more policyholders who have not received dividends, but who have poured their money in with the hope that their families would have some protection in the coming years.

Policyholders have been asked to come together and mutualize the company and save it for themselves, because in the final analysis they are the ones who have built the company and it is for their benefit that the company should be saved. We have no fight with the stockholders. They have had their day; they had their opportunity; and their day is past. The company is insolvent, and we have this statement made under oath by the officers of the company themselves. A share of stock in National Benefit is worth nothing, therefore the stockholders have nothing, but on the other hand, if the remaining assets of the company can be conserved for the benefit of the policyholders and the company mutualized and put in the hands of the policyholders, the policies now outstanding can be made valuable in the hands of the holders.

In justice to the two hundred or more thousands of policyholders who have stood by the company loyally through all these years, and paid their premiums without a question, the stockholders should be willing to step aside since the company is insolvent and forget their personal interests, because it is they who have brought the company to its present predicament. On the other hand, the policyholders are innocent victims. They had nothing to do with the running of the company. The only thing they were asked to do was to send in

their premiums. They did this with a loyalty unparalleled in Negro business.

Now the day of the policyholder has come. They have been asked to organize and mutualize the company, and to us this seems the only logical thing to do in the face of present conditions.

COURT ACCEPTS PLAN TO SAVE NATIONAL BENEFIT FOR THE POL- ICY HOLDERS

RECEIVERS ANNOUNCE PROGRAM WITH VIEW TO CONSERVING INTER- EST OF POLICYHOLDERS

Washington, D. C.—By order of the Supreme Court of the District of Columbia the Receivers of The National Benefit Life Insurance Company have been authorized to proceed with a plan whereby policyholders who continue the payment of premiums may secure an equitable adjustment of the insurance on their lives. The order provides that under such a plan of adjustment the stockholders shall not gain in any way by any sacrifices or waivers that the policyholders may make temporarily and therefore this continued adjusted insurance is to be participating and the Receivers look forward to actual earnings thereon to be distributed among those policyholders in the form of increased insurance.

The program, as announced by the Receivers calls for the payment of the same premium as previously paid by the policyholders, which premium will purchase for them 100 per cent value in insurance protection in accordance with their ages on the first premium payment date after September 9, 1931. In addition to this, the policyholders will receive credit for equities existing prior and up to September 9 in the form of paid-up insurance or cash dividends, such values to be ascertained by actuarial and accounting examination. The prominent actuarial firm of Fackler & Briebly of New York City, a firm noted for its conservative and sound procedure has already been retained by the Receivers, and commenced the examination on March 9, 1932.

On the modified contracts, as determined by the premium payments made since September 9, 1931, all death claims will be paid promptly

after receipt of the proof. The Receivers have stated that they believe the principal function of a life insurance company is to make prompt payment of proper claims for death benefits. While it is true that claims which have already occurred will necessarily have to await the determination of the proportionate share due in accordance with the examination now in process, the Receivers are making an effort to arrange for an immediate partial payment of the obligations.

In order to meet death claims promptly as they arise, the Court has authorized the Receivers to temporarily eliminate the immediate liabilities which may arise under the provisions for cash surrender and loan in the existing insurance. Total and Permanent Disability provisions, as well as additional accidental death benefits will also be temporarily eliminated, but equitable adjustments for the premiums paid therefor will be made in determining the amount of insurance on the modified contracts.

The premiums paid in the company since September 9, 1931, are being kept separate from those previously paid, and all expenses and investments made from them are subject to the approval of the Court. By this conservative and protected management of the policyholders' funds, it is hoped that surplus earnings, all of which will belong to the policyholders, will bring the amount of insurance of each policyholder up to the original coverage when combined with the paid-up insurance in settlement of rights prior to and up to September 9, and the modified insurance continued in force on the basis of present premium payments.

The plan, as authorized by the Court, has received the study and approval of the Receivers' actuaries, who state that the insurance will be immediately placed on a sound and secure legal reserve basis by this method.

The following statement comes from Gilbert A. Clark, Actuary for the Equitable Life Insurance Company and Frank B. Bryan, Jr., former Deputy Insurance Commissioner for the District of Columbia, Receivers in this case:

"We firmly believe that the plan as submitted to the policyholders is the most equitable plan. We hope

NAT'L BENEFIT PLANS TO SAVE POLICYHOLDERS

Washington—(CNS)—Clarification of some of the muddled affairs of the National Benefit Life Insurance Company, now in the hands of receivers

Gilbert A. Clark and Frank B. Bryan, was effected last week with the announcement made to all policyholders of the terms under which they would be allowed to share in the assets of the company. The announcement sent out was based on the order of the court of April 8, giving explicit instructions to the present receivers as to methods in adjusting the affairs of the insolvent company.

Under the most recent court order the receivers are instructed to fix the date of insolvency of the company as of September 9, 1931. They are to determine by actuarial investigation of the respective equity of each policyholder in the assets of the company as of that date.

Following the determination of these equities the receivers are instructed to modify with the consent of the policyholder in each case, any and all existing contracts for insurance "upon such terms as will be mutually agreeable and which will permit the receivers to meet the obligations assumed in such modification agreements."

The receivers are to remove, temporarily, the liability of the National Benefit company under the provisions for nonforfeiture, loans and cash surrender value; and to further reduce the liability of the company by eliminating in the modified contract, all provisions for payments on the basis of permanent disability or accidental death.

An important part of the court order relative to these modified contracts and the payments received therefrom in the form of premiums, is that the receivers are instructed to set up adequate legal reserves to support such contracts, to keep all monies received in premiums after September 9, 1931 separate and apart from other assets of the company, to pay proper death claims arising from the modified contracts. Also important was the permission granted by the court for the receivers to revive and keep in force, as modified, all

contracts of insurance in the company that were in force on September 9, 1931.

"There has existed since September 9, 1931, a great deal of confusion in the minds of policyholders concerning the proper method of maintaining and preserving their rights under National Benefit Life Insurance Company policies. In order that no policyholder who desires to preserve his insurance may suffer as a result of the confusion and uncertainty incident to the litigation, all insurance contracts which were in force on September 9, 1931, may now be revived by the policyholders under this modified plan by paying any due and unpaid premiums.

NATIONAL BENEFIT

From a study of the plan announced by the Receivers of the National Benefit Life Insurance Company as authorized by the Supreme Court of the District of Columbia, it is evident that everything possible is being done for the protection and interests of the policyholders of that organization.

The futility of further litigation as has been proposed becomes apparent if we stop to analyze the situation. The plan as announced by the Receivers certainly presents an equitable basis for the continuation of the insurance now in force. In this regard, we have neither seen nor heard of any better solution of the question of continued premium payments. The only thing the announcement does not state is the plan on which the Company will be eventually reorganized.

But let's be fair in this regard. Whatever may be our personal ambitions or desires, can we deny the justice in the Court's decision to await the outcome of the actuarial and accounting examination now being rapidly pursued, before declaring that the stockholders have no rights or interests whatsoever? Why go into Court asking for a decision that has already been made? Would the expense of such a move be justified? Who would bear the expense if it were done?

The Supreme Court of the District of Columbia has stated in the decree authorizing the Receivers to proceed with a plan of modification, that no temporary curtailments or waivers by the policyholders shall cause them any loss for the purpose of restoring the rights or interests of the stockholders. With this guarantee of the Court in mind, can there be any reason to justify further litigation? The Court has already announced that "provided the insolvency and impairment of the corporation exceeds the capital, the equities of the policyholders will be fixed as of the close of business on September 9, 1931." Does this not mean that we must wait for the completion of the examination to determine the amount of that insolvency, and that if it is greater than the amount of capital stock, then the rights and interests of the stockholders will be cancelled?

Although the policyholders have invested their hard-earned money and savings in this organization, can they forget that the stockholders' money is of the same species? Should they not be fair in letting justice take its course? Especially, since they can suffer no further losses in waiting by guarantee of the court.

This equitable plan in the interest of the policyholders deserves "a chance." Already there has been too much

More of it can only prolong the hoped for solution of National Benefit's problems. Let us first stabilize the policyholders' interests—then, with a sound foundation of the insurance protection involved we can proceed with further plans. Rome was not built in a day—neither before nor after. Let us not, in haste, sacrifice the interests of 200,000 persons on the altar of ambition.

COURT ACCEPTS PLAN TO SAVE NATIONAL BENEFIT FOR THE POL- ICY HOLDERS

RECEIVERS ANNOUNCE PROGRAM WITH VIEW TO CONSERVING INTER- EST OF POLICYHOLDERS

Washington, D. C.—By order of the Supreme Court of the District of Columbia the Receivers of The National Benefit Life Insurance Company have been authorized to proceed with a plan whereby policyholders who continue the payment of premiums may secure an equitable adjustment of the insurance on their lives. The order provides that under such a plan of adjustment the stockholders shall not gain in any way by any sacrifices or waivers that the policyholders may make temporarily and therefore this continued adjusted insurance is to be participating and the Receivers look forward to actual earnings thereon to be distributed among those policyholders in the form of increased insurance.

The program, as announced by the Receivers calls for the payment of the same premium as previously paid by the policyholders, which premium will purchase for them 100 per cent value in insurance protection in accordance with their ages on the first premium payment date after September 9, 1931. In addition to this, the policyholders will receive credit for equities existing prior and up to September 9 in the form of paid-up insurance or cash dividends, such values to be ascertained by actuarial and accounting examination. The prominent actuarial firm of Fackler & Brieby of New York City, a firm noted for its conservative and sound procedure has already been retained by Receivers, and commenced their examination on March 9, 1932.

On the modified contracts, as determined by the premium payments made since September 9, 1931, all death claims will be paid promptly

after receipt of the proof. The Receivers have stated that they believe the principal function of a life insurance company is to make prompt payment of proper claims for death benefits. While it is true that claims which have already occurred will necessarily have to await the determination of the proportionate share due in accordance with the examination now in process, the Receivers are making an effort to arrange for an immediate partial payment of the obligations.

In order to meet the claims promptly as they arise, the Court has authorized the Receivers to temporarily eliminate the immediate liabilities which may arise under the provisions for cash surrender and loan in the existing insurance. Total and Permanent Disability provisions, as well as additional accidental death benefits will also be temporarily eliminated, but suitable adjustments for the premiums paid therefor will be made in determining the amount of insurance on the modified contracts.

The premiums paid in the company since September 9, 1931, are being kept separate from those previously paid, and all expenses and investments made from them are subject to the approval of the Court. By this conservative and protected management of the policyholders' funds, it is hoped that surplus earnings, all of which will belong to the policyholders, will bring the amount of insurance of each policyholder up to the original coverage when combined with the paid-up insurance in settlement of rights prior to and up to September 9, and the modified insurance continued in force on the basis of present premium payments.

The plan, as authorized by the Court, has received the study and approval of the Receivers' actuaries, who state that the insurance will be immediately placed on a sound and secure legal reserve basis by this method.

The following statement comes from Gilbert A. Clark, Actuary for the Equitable Life Insurance Company and Frank B. Bryan, Jr., former Deputy Insurance Commissioner for the District of Columbia, Receivers in this case:

"We firmly believe that the plan as submitted to the policyholders is the most equitable plan. We hope

that every policyholder will speedily give his consent to the plan as outlined."

NAT'L BENEFIT PLANS TO SAVE POLICYHOLDERS

Washington—(CNS)—Clarification

of some of the muddled affairs of the National Benefit Life Insurance Company, now in the hands of receivers Gilbert A. Clark and Frank B. Bryan, was effected last week with the announcement made to all policyholders of the terms under which they would be allowed to share in the assets of the company. The announcement sent out was based on the order of the court of April 8, giving explicit instructions to the present receivers as to methods in adjusting the affairs of the insolvent company.

Under the most recent court order the receivers are instructed to fix the date of insolvency of the company as of September 9, 1931. They are to determine by actuarial investigation of the respective equity of each policyholder in the assets of the company as of that date.

Following the determination of these equities the receivers are instructed to modify with the consent of the policyholder in each case, any and all existing contracts for insurance "upon such terms as will be mutually agreeable and which will permit the receivers to meet the obligations assumed in such modification agreements."

The receivers are to remove, temporarily, the liability of the National Benefit company under the provisions for nonforfeiture, loans and cash surrender value; and to further reduce the liability of the company by eliminating in the modified contract, all provisions for payments on the basis of permanent disability or accidental death.

An important part of the court order relative to these modified contracts and the payments received therefrom in the form of premiums, is that the receivers are instructed to set up adequate legal reserves to support such contracts, to keep all monies received in premiums after September 9, 1931 separate and apart from other assets of the company, to pay proper death claims arising from the modified contracts. Also important was the permission granted by the court for the receivers to revive and keep in force, as modified, all

contracts of insurance in the company that were in force on September 9, 1931.

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Life

NEGRO LIFE INSURANCE.

In his annual composed statistics prepared for the National Negro Insurance Association, Charles A. Shaw, executive vice president of the Watchtower Life Insurance Company, Houston, Tex., gives some illuminating and interesting facts and figures. During 1931 twenty-one companies paid \$2, 116,842.11 in commissions to agents; eighteen companies reported agency supervision amounting to

\$376, 319.50; eighteen companies reported an item of branch office expense, including salaries to clerks and managers amounting to \$876,001.57; twenty-two companies reported salaries to officers and employees of \$913,027.27; eighteen companies disbursed \$74,503.58 in medical fees.

New York City N.Y.
Twenty-three companies reported 152 officers, 509 home office employees, 521 branch office employees, 3,965 agents and 1,957 medical examiners, making a total of 7,104 Negroes employed in these organizations throughout the country. On the subject of employment Mr. Shaw says: *7/9/32*

"This group of twenty-three companies, together with those employed by other Negro insurance organizations and businesses, causes one to appreciate the extent to which our business interests are contributing to the economic welfare of our race, but even so, we cannot refrain from thinking of the greatly increased number of people that would be afforded employment if every Negro would insure in a company owned and operated for and by Negroes. This is a phase of our operation which we need to impress upon our people, for it has been our sad experience to observe that there is a definite and ever-widening campaign being launched to displace Negroes in many fields of work that in years past have been opened to him."

Twenty-three companies had gross assets amounting to \$14,478,560.62; admitted assets, \$13,740,110.88 and \$11,479,275.30 in total liabilities. The capital of twenty companies was \$1,740,591 and the surplus of twenty-three companies \$1,521,917.93. The total income of twenty-three companies was \$13,966,839.20, and total disbursements \$11,323,724.91.

total insurance in force for twenty-two companies was \$185,597,221.99. Out of the \$11,323,724.91 disbursed by the twenty-three companies \$4,464, 201.92 was paid in claims and matured endowments to policyholders and their beneficiaries. \$441,783.58 represented death claims paid under ordinary policies, and \$1,651,286.11 was paid in death claims under industrial policies, and \$2,461,132.29 constituted health and accident claims.

Twenty-five companies reported insurance in force as of December 31, 1930 amounting to \$205,335,433, while twenty-two companies reported \$185,597,221.99 as of December 31, 1931. The difference of \$19,738,212 is attributed in the main to the failure of three companies to make known their figures for the past year, the assumption being that despite depression the total volume of business transacted by Negro insurances was approximately the same or perhaps slightly increased as compared with 1930.

Mr. Shaw comments on the lapsation of policies, the great demand for policy loans and cash surrender values, due to economic factors. "In addition to these," he points out, "quite an ill effect was experienced by the debacle of the National Benefit Life Insurance Company and the more recent tragic development in Victory Life. It is, however, 'an ill wind that blows no good,' and after all is said and done, these instances may be of benefit in having executives of our organizations more fully appreciate the sanctity of their trust and commend honest and sane management to those upon whom the responsibility of management has been placed."

Mr. Shaw's views on the subject are very much the same as those of C. C. Spaulding, president of the North Carolina Mutual Life Insurance Company of Durham, N. C. In his address delivered at the National Negro Business League recently held in New York, Mr. Spaulding saw no reason for members of the race

losing confidence in Negro Life Insurance companies because of one or two unfortunate happenings. He served notice that the executives of the various companies had made up their minds to see that all insurance or organizations were brought to a full appreciation of the sanctity of their trusts and that they be operated under capable and honest management.

NEGRO INSURANCE SUPPORT US

Everyday we read of old industrial and commercial businesses closing their doors. Companies that have stood for scores of years and some for half centuries have succumbed to this pitiless, crushing depression. Banks have failed by the scores.

Insurance
But, in spite of the decline in security values and real estate in which life insurance companies carried their investments; and in spite of the great increase in policy loan demands, Negro insurance companies are not failing during this depression.

6-25-32
Many are thinking of the National Benefit Life Insurance Company as they read the last sentence. But that company was gutted back in 1926 and 1927. The reserves were deliberately taken and spent by crooks. To lose faith in Negro insurance companies because somebody robs one or two is just as foolish as to refuse to go to a hospital because somebody died in one. Negro insurance companies are faithfully meeting their trusts.

Houston News
When we recall that white insurance companies won't hire Negro agents, clerks, or even janitors, and see how Negroes are fired from even scavenger jobs for whites, it doesn't need any argument to convince Negroes that they must carry on with Negro companies. And when we see the contributions that Negro Insurance Companies are making to our economic life, we realize that we must carry on or give up hope.

Last year, Negro companies paid to agents \$2,116,842.11 in commissions. Thousands of these agents living in Texas received this money and spent it here in Texas. Negro companies paid for agent supervisions approximately \$500,000. A part of this money was also spent among us in Texas. To branch office clerks and managers, etc., they paid over \$900,000. A great part of this money came to Texas and was spent with Negroes.

Negro companies paid \$1,010,650 in salaries to officers and employees who in turn supported colored families. They spent \$87,508.67 in medical fees to Negro doctors. They spent \$147,571.47 for rent, most of which was paid to Negroes who own buildings. And they spent \$80,042.73 for advertising through Negro mediums.

When we think of carrying our business to white insurance companies, we should remember that the money we put in them builds jobs for more white children, but doesn't help our children. Our children only share in what we build in and among our group. Not only that, but our friends are making their living through the expenditures of Negro insurance companies.

Life Atlanta Life Insurance Company Reports Many Gains During 1931

Reports of the Company show Premium Receipts of \$1,538,946.23 and Ledger Assets of \$1,692,386.21

MORAL RECORD

In commenting upon the recent Annual Meeting of the Stockholders of the Atlanta Life Insurance Company, President N. B. Herndon stated as follows: "In spite of a world wide depression Atlanta Life Insurance Company has more than stood the test and is today stronger than ever before. During this unprecedented period of world wide depression and failures, while thousands of institutions of all kinds and descriptions have gone under or have been compelled to curb their activities, Atlanta Life Insurance Company has done a business of over One and a Half Million Dollars. We have paid to policyholders, during the past year, \$703,909.46. We have not only paid this large amount but have met every obligation, whether to policyholder, stockholder or employee, promptly and on time.

I doubt if any institution anywhere in America, white or black, great or small, can show a record superior to that of Atlanta Life for honesty, square dealing and safety to policyholders, stockholders and employees. We have never striven to be the biggest Company in the world but we have and are still striving to be the best in service, in honesty and in absolute safety for every policyholder. We consider policy obligations a sacred trust. We are conducting the business of Atlanta Life, not merely with the idea of taking care of obligations today but for all the days of all the years to come.

When an applicant takes out a policy, he has a right to ask "Will this Company pay off, twenty or thirty years from today?" "Can I be absolutely sure that my beneficiary will be paid, twenty or thirty years from now?" There is Atlanta Life offers almost un- but one way to judge and that is the records. I say, look at our records and judge for yourself. Our records will stand the closest scrutiny, even on the part of the most exacting student of business. Atlanta Life seeks the patronage of the public on its Moral, Financial and Efficiency Record, through-

out the years. For twenty six years, Atlanta Life Insurance Company has stood as a great beacon light for moral uprightness in all of its dealings. The Founder of the Institution, A. F. Herndon, believed in absolute square dealing and fair play. He surrounded himself with men of like calibre and insisted that they steer clear of anything that had even the appearance of a questionable character. The whole organization, within and without, has been builded along this line. I am happy to state that this great ideal of "Moral Uprightness and absolute square dealing" enunciated by the founder has been preserved and glorified and further developed since his death. Every year has seen the manpower of the institution improved and developed in moral fitness and all those factors having to do there with. We have not only sought and maintained men of character for our Home Office Staff but the same ideal goes with the selection and maintenance of our Field Workers. Atlanta Life has no place for men with shady business and moral reputations. Men of this calibre are refused and if we have any within our ranks, they are few and were sick enough to escape the careful scrutiny of our employment bureau.

FINANCIAL FITNESS

In Financial matters, we have never, claimed to be the biggest Company in the world or in the South. We have been too busy, trying to render the best service, to dream about how big we were. The most important thing is not size, but rather Safety, Security, Permanence. The test of an Institution, as of a man or a ship at sea, is not good weather and fair weather but rather, rain and storm. There is Atlanta Life offers almost un- but one way to judge and that is the records. I say, look at our records and judge for yourself. Our records will stand the closest scrutiny, even on the part of the most exacting student of business. Atlanta Life seeks the patronage of the public on its Moral, Financial and Efficiency Record, through-

amount is primarily for the protection of policyholders, guaranteeing them absolute protection in the matter of policy claims. In addition to more than double the requirements of the law in the matter of Capital Stock, the Company maintains a reserve of over One Million Dollars, guaranteeing further protection to every policyholder. In the matter of policy reserves also, the basis in use is more liberal than the requirements of the law and this high reserve is maintained for no reason other than safety in the matter of future claims.

We believe that the only way to merit the confidence and good will of the public is by building up a thoroughly safe and sound institution. In the matter of policy reserves, we therefore maintain as a basis, a mortality assumption in excess of legal requirements. In addition to capital and reserve funds in excess of legal requirements, Atlanta Life has always maintained a reasonable surplus. This surplus also is an additional security to policyholders and beneficiaries.

Equally important as all the above is the quality and safety of the investments of the Company. The record of Atlanta Life in this particular stands out pre-eminently and has for many years, merited the respect of the best authorities on investment problems. No better proof of the care and safety of investments can be had than the fact that during the year, our income from investments shows an increase over last year and the ledger assets of the Company have increased over \$100,000.00. The Company has, in County, State and Municipal Bonds alone, \$1,134,950.83. Our investment accounts and records are indeed of the very highest calibre and we invite your careful scrutiny.

In order that these assets shall have ample protection, every Officer and Manager of Atlanta Life is adequately bonded by the National Surety Company of New York. Even though the securities of the Company are housed in the strongest vaults in the South, they, never-

theless, as a further safe-guard, are protected by insurance, against fire, theft or burglary. It is indeed a compliment to one's good judgment to be insured with Atlanta Life.

EFFICIENCY RECORD

From the janitor up and from the President down, every man is a trained worker. I am happy to be President of this Institution because I grew up in and with it and because of its business record. I do not point to the fact that I came up in the school of hard knocks, as well as the school of hard work and that a Harvard College token of early rising and late plugging adorns my walls but rather would I point to the skill, knowledge and achievement of a safe and conservative organization, the product of safe and conservative, trained men and women. I rejoice that, as President and Treasurer, the Company has an investment record for safety and solvency, second to none but I rejoice more in the work of the great organization in creating these sacred trust funds that I am endeavoring to preserve for the policyholders and beneficiaries. The records themselves, tell how well Atlanta Life has succeeded.

Prompt and efficient service cannot be maintained and developed without training and supervision. A careful study of our Organization completed in August of last year, showed that our Organization has

as follows:
1. College Graduates 105
2. High School Graduates 152
3. Eight Grade rank and up 95
This does not include the whole, will be little more than that of beggars. No race or group can be self supporting whose life is confined largely to the abstract, music, dancing, acting, etc. All of these are essential but we must confess that one without the other, is useless and even the actor, the musician and the dancer will continue to be poorly paid, until our group can show a larger development along all lines of purely business and financial endeavor. Atlanta Life Insurance Company and many others, both in the field of insurance and other lines, have done much to break the shackles of economic slavery and decrease the Negro mortality. The amount of service that will be rendered in the future will depend, in a large way upon the attitude and confidence of our people in their own institutions. It is an old adage that says "Heavens help those who help themselves." If you believe in your race; if you desire that your sons and daughters shall have positions of work, jobs that pay a living wage, you will be compelled to create employment whatever to Negroes? Negro business endeavor and grant thousands of Negroes dismissed

On the other hand, we have seen a larger support to those institutions manned by our own people

and sent to the bread lines, men with families and dependents. Many of these dismissals and eliminations have been by firms who receive a good deal of support from Negroes. Some of our largest municipalities, with a Negro population from 15 per cent to 50 per cent, give little or no work to Negroes and often the few jobs that are parcelled out to Negroes, pay hardly enough to keep the soul and body together. What is true of towns, cities and states, is true generally of big business. Think of the thousands of Negroes who use automobiles, burn gasoline, wear clothes and yet are denied almost any rights in the matter of employment in the creation and distribution of these things. Sometimes when we sit calmly and dispassionately view the general situation, it looks very dark. Especially is this true when we see thousands of positions that were once typically Negro positions, almost completely filled by others and keen competition for even the most menial jobs, and worst of all, the basis of this competition and job getting is often not efficiency but merely color.

It seems to me that the greatest need of our people today is along business lines. The implements of production and distribution of practically all of those things that have to do with life, liberty and happiness, from an economic standpoint, are mostly in the hands of big business. This most important of all fields has scarcely been touched by Negroes. Unless the Negro, himself, as a race, decides more largely upon self-help and enters

the field of business, his mortality as a group will continue high and the status of the group, as a whole, will be little more than that of beggars. No race or group can be self supporting whose life is confined largely to the abstract, music, dancing, acting, etc. All of these are essential but we must confess that one without the other, is useless and even the actor, the musician and the dancer will continue to be poorly paid, until our group can show a larger development along all lines of purely business and financial endeavor.

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It is for this reason that the Company has lived and prospered. It is for this reason that the Officers of the Atlanta Life Insurance Company shall continue to live and prosper and render a larger and larger service to our people. The records of business, Executive, and Administrators, are such that they merit respect and support. The Officers of the Atlanta Life Insurance Company have endeavored and are endeavoring to build up and increase the confidence of Negroes in Negro enterprise by keeping the Atlanta Life absolutely safe for the general

ATLANTA LIFE INSURANCE COMPANY TAKES OVER BUSINESS OF AMERICAN MUTUAL BENEFIT ASSOCIATION HERE

Atlanta Life Insurance Company and American Mutual Benefit Association—Georgia and Texas Departments of Insurance Consent to Underwriting Agreement—Atlanta Life Shows Sufficient Reserve in State—Former Employees to Keep Jobs—More Jobs Created for Deserving Young Men and Women—Quarter of Century of Service by Companies—Assets of More Than Million and a Half Back of Undertaking.

By JAMES M. BURR

Racial interdependence and solidarity have been the two qualities most needed in Negro business and commerce. That this is being more and more learned by Negro institutions is not doubted when the announcement comes that the Atlanta Life Insurance Company of Atlanta, Georgia, and the American Mutual Benefit Association, local company headed by J. B. Grigsby have become affiliated.

For more than a quarter of a century these two companies have done business among our people, the Atlanta Life Insurance Company in Georgia and other states of the union, and the American Mutual in Texas. The service that the American Mutual Benefit Association has rendered the race in its field is well known by every person in Texas. Beginning in Texas when the insurance business was, in a manner, unknown to Negroes in this section, the company under the leadership of Prof. W. B. Cogel, Wm. C. Nickerson and J. B. Grigsby, soon found its way into the homes of almost every Negro in Houston and soon it spread its wings out over the state like magic until "The American Mutual" became a household word in every Negro home in Texas.

The Atlanta Life Insurance Company was established in Georgia under much the same circumstances as the American Mutual. The need of ample insurance for the race in Georgia and that section was sensed by the founders and they with great faith in the possibilities of the race launched this company. The fact that it has grown until now it represents assets of more than a million and a half dollars, speaks for itself. We quote here from a statement of the condition of the company as of December, 1931:

"A Few Facts About the Company"

"For over a quarter of a century the Atlanta Life has paid every honest claim cheerfully, promptly and on time.

the requirements of which had to be met before the consent of the departments of insurance would agree to the affiliation.

After weeks of careful planning and the assurance that the Atlanta Life had, in Texas, enough assets to cover whatever business they might take over in this state and that the assets of the Atlanta Life were ample to offset any contemplated emergency, the state departments of both states agreed to the affiliation.

Seasoned Officers Handle Company
In these times it is imperative that the men who handle the affairs of any organization must be tried and true to trust and obligation. Such has been the record of all of the officers of the Atlanta Life Insurance Company.

Both of the companies have been in existence a quarter of a century more or less, rendering valuable service to our people, giving employment to thousands of Negro men and women, assisting hundreds in the building of better homes, and contacting and assisting in nearly every avenue of our racial life.

The officers of these two companies are to be congratulated on taking this forward step. It is the trend of all well regulated business to pool their interests that they may better serve their clientele and give to them the advantages that accrue from volume of business.

This underwriting means a bigger and stronger company and the ability to better serve the people of not only Texas but all the other states in which Atlanta Life operates.

Affiliation of Companies Follow General Trend

The past two years have seen more combines and affiliations of kindred organizations than any other period in the history of the country. These conditions were made necessary, not because of weakness of any company but more because of the farsightedness of the officials effecting the affiliations.

Banks, newspapers, mercantile corporations, railroads and insurance companies have followed this method. One of the chief reasons for the various affiliations is the reduction in overhead and a combined strength to combat the depression in business. Fortunately for the American Mutual, most of its officers and employees will continue in the employ under the new company management. The records and paraphernalia of the American Mutual will be transferred to the Pilgrim building where the local office of the Atlanta Life Insurance Company is now located. Officers of the company from Atlanta have been in Houston for the past week completing the arrangements for the new project. And thus passes into history the work of one of Texas' oldest Negro enterprises.

"The company's policy contracts are simple, clearcut and concise, with no red tape and no technicalities, and the rates are very low.

"The sick and death benefits are as large for the same amount of money as those of any other company and larger than most. Since 1920 the company has paid to policyholders in cash the sum of \$7,038,094.98.

"It has over 150,000 satisfied policyholders representing the best people of our group.

"In 1905 it was a local institution, serving the people of one state. Today it operates in eight states, and has a record of over twenty-seven years of honest and efficient administration."

With the foregoing facts before one's eyes it should be of particular interest to all students and well wishers of Negro business that these two well known institutions have worked out plans whereby the man-power of the two institutions will be affiliated, as well as a large portion of the business of the American Mutual Association.

The affiliating of these two institutions together in an underwriting agreement means that the American Mutual Benefit members, that are underwritten by Atlanta Life, will have back of them assets of more than one and one-half million dollars and a surplus to policyholders of more than \$388,000. It means also that the same prompt service in the payment of claims and all other policy obligations that have had so much to do with the building of Atlanta Life and making it one of the safest companies in America, will immediately accrue to all members that are underwritten.

Approval of State Departments Necessary For Change

To the average layman, the changes necessary to effect the underwriting and affiliation of these two companies would seem a simple matter but not so. It entailed more than just the wish of the officials of the companies concerned. Georgia has insurance laws for the protection of its policyholders. Texas has insurance laws,

Life.

Directors And Stockholders Told \$200,000 Needed To Put Victory Life On Working Basis

Optimism Expressed That Company's Difficulties Can Be Overcome; Officials Say Sale Of Concern's Business Will Be Last Way Out

CHICAGO — (ANP) — Representatives of the press and policyholders who did not own stock were excluded from the meeting held here Monday by the stockholders of the Victory Life Insurance Company, \$210,000. The liabilities of the company are \$1,235,626.46 and the admitted assets \$1,205,609.98.

This meeting, called by the recently appointed receivers of the company, was attended by some sixty-five stockholders, a few of whom were from other cities. The purpose, as outlined before the Harrison motion became effective, was to acquaint the stockholders and directors with the actual condition of the company.

The auditor's report, according to the reports that leaked out of the meeting, left some of the stockholders in a quandry as to just what the company actually faced.

Loans Discussed

Loans that in less depressed times were bonafide and would have made the company solvent, according to the opinion of some, were left off as assets, and the stock owned by the company in the Douglass National Bank, which according to Anthony Overton, one-time president of the banking institution and the present president of the insurance company, is "absolutely solvent," despite the fact that the bank is closed, came in for much discussion between sessions.

Dr. Haley Bell, of Detroit, one of the largest stockholders, opined that the insurance company was yet in "good condition" and that "if the directors, officers and others will cooperate the institution will be saved and will continue to operate." In this opinion Mr. Overton agreed.

Receiver Optimistic

At the opening of the stockholders' meeting, A. A. McKinley, one of the two white receivers, expressed the opinion that he believed the company was in good condition and could be rehabilitated. He also

1. Keep records up to date.
2. Keep the original records intact.
3. Balance the policy loan record and check it with the ledger periodically.
4. Honor outstanding checks on closed banks.
5. Advise policyholders that death claims will be paid and pay them a percentage of claims.
6. Take care of outstanding bills on an equitable basis.
7. Honor policyholders to full extent of privileges of policies.
8. Liberate the stock from liability.
9. Pending foreclosures, complete collateral loan.

Atty. Harrison, nationally known orator, was one of the most active persons at the meeting. He is reported to have obtained the right to use his eloquence through acting as proxy for an absent stockholder.

Two Plans Favored

CHICAGO — (ANP) — Negotiations for the final disposition of the Victory Life Insurance company moved into high gear Monday when stockholders and directors of the company were called into a meeting at the home office by the receivers, A. A. McKinley and James W. Gullett, for the purpose of seeing if they could devise a plan of operation for the company and raise enough money to meet the legal requirements for any plan suggested or adopted.

Need \$200,000

The receivers stated that it will require \$200,000 to catch up the present deficit in the capital stock and to establish a reserve for solvent operation. Although responsible New York stockholders were not present, the pledge was given that New York would raise one dollar for every dollar raised by Chicago in the effort to devise a plan for taking over the company.

It was stressed at the meeting that it would be sound business policy for the company to open its business in New York, where the capital stock requirement is \$200,000.

Anthony Overton, present president of the company, controlled more shares, 4,000, than any other stockholder present at the meeting. Dr. P. M. H. Savory, West Indian leader of the New York stockholders, was not present at the meeting. The following committee was named to devise a plan for rehabilitating the company: Anthony Overton, Dr. P. M. H. Savory, New York; Dr. Haley Bell, Detroit; Rev. L. K. Williams, Chicago and Dr. Hubbard.

Auditors' Recommendations

The following recommendations were made by the auditors who were recommended by Best and Company:

preliminaries would develop into anything substantial. Mr. McKinley visited New York and talked with a number of New York stockholders, but did not bring back with him any positive assurances.

Subsequent to the call issued by the receivers, it was impossible to get any of the men who have hitherto figured in the company's fortune to commit themselves by statement and chairman of the board, who is also a large stockholder, has steadily refused to talk, pending action of the receiver. Dr. P. M. H. Savory, director, New York heavy stockholder, and the presumed leader of the so-called eastern clique, has also avoided committing himself.

Too Short Notice

In some quarters, though, there has been a disposition to view with apprehension the outward appearances of the company during the period of receivership. Thus there are some stockholders who have lacked faith in the final outcome of the receivership because they said it was brought about through the activities of the so-called Overton clique. They were somewhat cynical of Monday's meeting, pointing out that it was called too hurriedly for the stockholders either to come in person or to align themselves for any effective action.

The receivers indicated, however that they would not require a plan Monday, but would open up the possibilities and allow reasonable time for an effective plan to be devised if one can be.

No Capital Stock

The report of the receivers indicates that they have been busy with their pencils. One of the first items attacked, in the effort to make up the state examiner's estimate of a \$337,000 impairment, was the capital stock of \$200,000. This was completely written off. Thus in the receiver's report the company is without capital stock.

Another item was the oversale of stock. It is alleged that the company, while under the direction of Mr. Overton, sold stock over the legal limit. While no action has been taken against the former chief on this account, it is implied that action can and may be instituted against him for being legally responsible for this oversale.

Assets in the reserve have undergone considerable juggling. The state examiners slashed and discarded the most important of these assets. An appraiser appointed by the Federal Court restored some of the values discarded by the state.

Appraiser Adds \$100,000

Thus the Federal Court appraiser added \$100,000 to the normal value of the home office building which brings in a steady income. He also restored

Lise.
Age 4-23-
New York Stock and Policy Holders
By a Vote of 466 to 22 Express
Preference for New Victory Head

Overton Tells Audience That He Will Not Be Dictated To—Savory and Powell Accuse Him of Evasion and Not Stating Facts

MAJOR QUESTIONS ASKED ANTHONY OVERTON

1. "Why did you insist on \$4800 excess salary per year, making a total of \$8800, when you rendered service averaging only five hours a week?"
2. "Why did you insist on the Victory Life paying you \$60,000 for Douglass National Bank stock in June, 1928, a year and a half after the company had entered New York?"
3. "Why haven't you paid the balance of \$4900 personal loan due January, 1931?"
4. "Why did you allow Richard Hill, your son-in-law, to accumulate mortgages and notes amounting to \$36,000, which are now in default?"
5. "Why did you insist on Victory Life paying an assessment of bank stock when the company was loaded with other securities of the Douglass National Bank?"
6. "Why didn't you, after the Insurance Departments of New York and New Jersey, indicated that they would not allow the company to continue writing new business in the two states as long as you remained president, and isn't it a fact that New York owns almost half of the stock of the company and is paying for one-fourth of the business in force?"
7. "Isn't it a fact that New York and New Jersey paid over two million dollars in business in 1931?"

Appearing at his own request, Anthony Overton, president of Victory Life, gave his version of why the company is in its present difficulties before a large gathering of New York stockholders and policyholders in the auditorium of the Y. W. C. A. in West 138th Street, Thursday evening, April 14. After a barrage of questions had been fired at him from the floor, a resolution of confidence was introduced which was lost by an overwhelming majority, 446 demanding that Overton resign, and 22 upholding his adminis-

tration.

The meeting opened amid much confusion while a large number of stockholders and policyholders clamored for admittance the doors having been closed. It was sometime before A. A. Austin, president of the Antillean Holding Company, who acted as chairman, was able to restore order.

From the Chicago offices of the Victory Life, Mr. Overton had sent every New York policyholder a notice that he was coming East to tell why the company was withdrawing from New York and New Jersey. He instructed those whom he had delegated to make arrangements for the meeting to see that police were stationed about the auditorium and to employ bouncers. The latter precautionary measure was not necessary, but from the temper of the audience at times, the assigning of blue coats at the door was.

Overton Favors Merger

In giving his side of the controversy Mr. Overton said that the whole business to discredit him started about eight months ago when a merger between the Victory Life and the Supreme Liberty Life Insurance Companies was under consideration. He accused Charles A. Shaw and James E. Stamps, whom he has ousted as secretary and manager of agencies, of fomenting strife and misunderstanding to save their jobs.

"Now in order to prevent the merger, steps were taken to wrest control of the company out of the hands of Anthony Overton," continued the speaker. "That was the beginning of the whole story. Not to save the company or your money or anything, but to prevent the merger. The other company had something good, and we had something good, and the best thing to do was to get two good things together."

Mr. Overton dwelt at some length on his activities in keeping open the Douglass National Bank and in accusing Shaw and Stamps of conspiring against his interests, when interrupted by Dr. Charles A. Petioni, who said:

"You asked us to come here so that you could tell us why you withdrew from New York. You have not told us one word concerning the last sentence in this notice."

After cries from the floor of "answer!" Mr. Overton replied:

"Well, Mr. Shaw through paid articles ***disclosed company secrets made misleading statements against Anthony Overton. He not only had these articles published in different

LARGE STOCKHOLDER



Dr. P. M. H. SAVORY

newspapers but sent these papers to the various heads of state departments. Your state department sent me a telegram that until these matters were straightened out to discontinue writing new business in New York. We had an executive meeting on April 4, and on April 5, telegraphed to the superintendent of insurance at Albany: 'In view of your department's orders that Victory Life Insurance Company refrain from writing new business in New York, and recognizing the expense and hardship that such an order entails upon us, it was voted ***that Victory Life withdraw altogether from the State of New York until we conform in all details to the rules of your department.'

"Is it not a fact that New York and New Jersey wrote about two million dollars worth of business in 1931?" inquired Dr. Conrad Edwards.

"I don't know anything about insurance, and what is more I don't intend to learn anything about it, we have men paid to do that," replied Mr. Overton.

From the floor someone asked: "Mr. Overton, will the State of New Jersey permit the Victory Life agency to continue writing new business as long as you are president of the company?"

Will Not Be Dictated To

Mr. Overton "I do not know if I quite understand, but I will say this 'the State of New Jersey, the State of New York, the State of Maryland, of Missouri, of Kentucky, of Ohio—none of these states will

be permitted to dictate as to whom shall be president of the Victory Life Insurance Company. I have had a conference on my way here with some pretty big moguls, and there has been some statement in your Negro newspapers about what they said, and it is not true what they said, but I can say that the State of New York cannot dictate as to whom shall be the president of the Victory Life Insurance Company."

He president of Victory Life concluded his talk by stating that if the New York stockholders or the Illinois stockholders want to meet across the table as man to man we are ready to meet them. But they are not going to dictate."

The impression created by Overton was that he will ignore all demands that he resign as president.

Dr. P. M. H. Savory, vice-president of the Victory Life, Dr. C. B. Powell, John Duncan and other large local stockholders who seek Overton's resignation, accuse him of evasion and stalling at the meeting.

"Of the seven major questions put to him he answered only one," cites Dr. Savory and that was when in answer to Dr. Edwards Mr. Overton emphasized as a fact that he knew nothing about the insurance business, and has no intention of trying to learn; that he employed men who do know to conduct the business.

New Jersey Charges Mismanagement

Dr. Powell, at the conclusion of Mr. Overton's talk, presented to the audience a telegram from B. E. Shepherd, actuary of the New Jersey Insurance Department to Charles A. Shaw which read:

"New Jersey revoked license of your company because facts indicated gross mismanagement on part of your president in connection with your company's relations with Douglass National Bank (stop) Notwithstanding direct question on this point that no realtion existed between these institutions."

Defends Shaw and Stamps

Dr. Powell defended Charles A. Shaw and James E. Stamps from charges of incompetence and dishonesty, which had been made by Mr. Overton. He said that both men had been selected for their positions by Mr. Overton, and that if they were misfits, his judgment was faulty. But, he said, they were not failures. Both had worked hard to bring about certain economies in the company's operation expense. He showed that Mr. Shaw had opposed the payment of \$400 monthly to the Chicago Bee for advertising and had gotten a reduction in the printing bill of the company of from

\$400 monthly to \$90 monthly when the printing was taken from Mr. Overton's company and let out for competitive bids. These were the things, said the speaker, that angered Mr. Overton and made him seek to put them out.

In answer to some of Mr. Overton's statements, Dr. Powell said in part:

New Yorkers Own Much Stock

"Mr. Overton has made many statements some of which I recognize to be true, some untrue and he has left out a few things which I think as policy and stockholder I should make known to you. In the first place, Mr. Overton has given you the impression that he has more money in this company than everybody put together. That is not true. New York and vicinity paid 3,319 shares out of a total of 8,000 most of this at \$75 per share, rather than \$35 per share what Mr. Overton paid \$35,065.70 on 1,100 shares, making a total of \$283,990.70. Thus you see that you have paid in as much as the entire capital of the company \$200,000, and 83 per cent of surplus, which is \$100,000.

"Another thing, we have sent from New York and Brooklyn branch offices \$611,000 which amounts to one-third of the entire business of the company notwithstanding the fact that we entered New York State over two years after the company was formed. I should like to ask Mr. Overton, was it not the impression that for an individual to qualify for the board of directors, was not he or she obliged to pay for 50 shares of Victory Life stock?"

Draw Handsome Salaries

"Mr. Overton spoke of Stamps and Shaw drawing salaries and owning about seven and a half shares of stock between them. To my knowledge it is a fact that Attorney Richard Hill, Mr. Overton's son-in-law, who draws a handsome salary from the company, did not own but one share of Victory Life Insurance Stock. It is to my knowledge that Dr. Julian Lewis, a brilliant research worker in Chicago and our medical director, who also draws a handsome salary from the Victory Life, did not own but one share. I remember correctly, their names were entered in the stock record book as stockholders one day before the books closed for the diabolical stockholders meeting in January, 1932, which was over five years after the formation of the company.

"We were four directors from another locality, so to speak, out of a board of 21. Mr. Overton promised A. A. Austin, a New York real estate operator, known for his business acumen, and integrity I will ask you is he on the board today?"

Expresses Confidence in Savory

MR. OVERTON EXPLAINS.

Anthony Overton, president of the Victory Life Insurance Company, called a meeting of New York stockholders and policyholders, notifying them that he was coming East to explain why the company was withdrawing from New York and New Jersey. On Thursday evening, April 14, before some five hundred persons who packed the auditorium of the Y. W. C. A. in West 138th Street, he indulged in a bitter tirade against Charles A. Shaw and James E. Stamps, ousted secretary and manager of agencies, respectively, until Dr. Charles A. Petioni interposed inquiring: "You asked us to come here so that you could tell us why you withdrew from New York. You have not told us a word concerning the last sentence in this notice."

After cries from the floor for an answer, Mr. Overton said: "Well, Mr. Shaw, through paid articles, disclosed company secrets, made misleading statements against Anthony Overton, and not only had these articles published in different newspapers but sent these papers to the various heads of state insurance departments. Your state department sent me a telegram that until these matters were straightened out to discontinue writing new business in New York. On April 5 we telegraphed the superintendent of insurance at Albany that in view of department's orders that Victory Life refrain from writing new business in New York, and recognizing the expense and hardship such an order entails upon us, it was voted at our executive meeting that Victory Life withdraw altogether from the state until we conform in all details to the rules of your department."

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When someone from the floor wanted to know if the State of New Jersey would permit the Victory Life agency to continue writing new business as long as he was president he heatedly replied:

"I do not know if I quite understand. But I will say this: The State of New Jersey the State of New York, the State of Maryland of Missouri of Kentucky, of Ohio—none of these states will be permitted to dictate as to whom shall be the president of the Victory Life because it is not within their province. ***I can say that the State of New York cannot dictate as to whom shall be president of the Victory Life Insurance Company."

Not a scintilla of proof was produced at the meeting by either side to substantiate Mr. Overton's statement that New York and New Jersey officials desire to dictate the naming of the company's chief executive. But they have voiced unalterable opposition to the present incumbent remaining in office. They frankly express dissatisfaction over the methods he employs in the management of the company's affairs. It is a reflection on the intelligence and integrity of the men in charge of the insurance departments of New York and New Jersey to accuse them of suspending the company based on misleading statements published in the newspapers. Drastic action only is taken following a thorough examination.

It is apparent from Mr. Overton's hostile pronouncement that the real fight is between him on one side and the insurance chiefs of New York and New Jersey on the other. Dr. P. M. H. Savory, Dr. C. B. Powell, Mr. John Duncan and other large local stockholders want to conform with the legal requirements imposed. So do Messrs. Shaw and Stamps. But not so with Mr. Overton, who prefers to withdraw from two states in which one-third of the combined business of the company is transacted, and where two million dollars worth of business was written in 1931, unless he can have his way. Unlike the president of the Metropolitan and of other large companies he won't be dictated to.

The men and women of New York who have evinced confidence in the business leadership of Anthony Overton by becoming stockholders and policyholders of the Victory Life cannot be accused of partisanship when, by a vote of 446 to 22, they went on record in favor of resigning as president, which action was taken following his explanation. His exposition of his side of the controversy was not convincing.

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VICTORY LIFE LEAVES NEW YORK AND JERSEY May Withdraw From Indiana Also

CHICAGO. (ANP)—Victory Life Insurance Company is through doing business in New Jersey and New York and may come out of Indiana, according to an announcement made by President Anthony Overton, following a meeting of the stockholders of the company in the home office here Wednesday afternoon of last week.

"What do you mean by being thru in New Jersey and New York?" Mr. Overton was asked.

"I mean that the state of New Jersey put us out and we are voluntarily withdrawing from New York. Premiums on policies on those states will be accepted and the offices may be kept open awhile to protect the furniture, but no obligations incurred by either of the offices will be recognized: The men employed in New York were notified that after April 15 they were no longer on the payroll."

Blames Clerical Error
Mr. Overton stated that a clerical error had been responsible for the sending out of notices to stockholders for a meeting, the purpose of which was supposedly to reduce the capitalization of the company from \$200,000 to \$100,000.

He asserted that in February a meeting had been called for March 7 to increase the 8,000 shares of company stock at \$25 per share to 10,000 by the Overton faction along with shares at \$20 a share. A quorum not being present March 7, the meeting was adjourned until March 20. The required number of proxies and stockholders were not present on that date and a thirty-day recess was taken until April 20.

Action Awaits Approval
At Wednesday's meeting, sufficient stockholders were present or represented for action to be taken and the changing of the par value of the stock was approved. This action, however, will have to be approved by the insurance department.

One of the stockholders present also informed the Associated Negro Press that it had been voted to reduce the capitalization of the company from \$200,000 to \$160,000.

It was stated that both these acts would probably be contested on the grounds that the proxies held by the president were for different purposes

And that he did not have enough at Wednesday's meeting to constitute a quorum for any purpose.

Savory Continues Attacks
Dr. P. M. H. Savory, prominent New York stockholders and one of President Overton's chief opponents, in a statement given out in New York declared that "The length to which Overton is willing to go in his policy of rule or ruin is exemplified by his acts" at the recent meeting.

He relates in his statement how the two March meetings fell through for want of a quorum and adds, "As the opposition had possession of half the proxies, it was evident that this (April 20th) meeting would also fail. Seeing that, he (Mr. Overton) decided to combine the proxies he held for the three meetings in order to make the number 4,200 which is slightly more than half the stock issued," he charges.

Notices Delayed, Claim
"It was pointed out to Mr. Overton by C. L. Robinson, the auditor, that such a procedure was illegal as each set of proxies was sent for a definite purpose and meeting and could not be used otherwise. Overton also saw to it that notices were received in New York and other places too late for the opposition to get proxies—in some cases they did not get the 10-day notice according to law," Dr. Savory contends.

"However," he concludes, "notwithstanding these protests he declared that the resolution for reduction (of capital stock) was passed. The attention of the insurance department of Illinois was called to the above facts, which are an indication of the illegal and high-handed actions of this man."

Shaw With Another Company
Word also reached here last week that Charles A. Shaw, former secretary of Victory Life, who was ousted by the Overton faction along with James E. Stamps, former manager of agencies, had been elected executive vice president of the Watchtower Mutual Life Insurance Company at Houston, Texas.

Mr. Shaw and Mr. Stamps have led the fight to remove Overton from office as a result of what they charge have been illegal and personally profitable deals by Overton.

Mr. Shaw was elected to his new position at the special meeting of the Texas company's board of directors held on April 18th. He has had 17 years of experience in the insurance field.

The Watchtower Mutual Life Insurance Company is the first and only old line legal reserve company organized in Texas. T. N. Fairchild is one of the most influential Houston business men.

SUCCESSORS TO SHAW, STAMPS ARE ANNOUNCED Victory Life Picks New Secretary And Treasurer

CHICAGO. (ANP)—At a meeting of the board of directors of the Victory Life Insurance Company held last week, Dr. A. S. Miller was elected secretary, succeeding the ousted Charles A. Shaw; R. H. McGavock, an undertaker, was elected treasurer; and Mrs. Esther Tibbs Mann and V. D. Johnston were elected assistant secretaries.

Mrs. Mann has been with the company for sometime in an actuarial capacity. When the recent conflict arose with the discharge of the former secretary and of James E. Stamps, manager of agencies, Miss Tibbs was put in temporary charge of the office.

Later, I. J. Joseph, a former manager of the company who had quit because of dissatisfaction with the policy toward him, was installed as assistant to the president with executive powers.

V. D. Johnston is the director of the budget at Howard university. He was formerly secretary of the company. After the directors had met Tuesday evening a banquet was held at the Poro college.

Rump Meeting Held
At the same time a rump meeting of stock stockholders of the company was held in the National Pythian Temple. Dr. P. M. H. Savory, one of the largest stockholders of the company and leader of the eastern group of stockholders which is trying to oust Anthony Overton as president of the company, was at this stockholders' meeting.

It is reported that there were 109 persons present, all stockholders, and that they voted disapproval of Overton's policies and decided to muster strength for a do-or-die battle with him at the next general stockholders meeting in January, 1933.

It has also been reported that the directors of the company voted to ask the Reconstruction Finance Corporation for a loan of \$125,000 to assist the insurance company, but that as soon as it had been learned that the insurgent stockholders that such a move was contemplated, representations were suggested to be transfer the home office from Chicago to New York. Dr. Savory pointed

loan were undeserving because of their relationship with the Douglass National Bank.

Illinois Examines The Affairs of Victory Life

CHICAGO, Ill.—An examination of the affairs of the Victory Life Insurance Company, based on charges made by eastern stockholders, is being conducted by the Illinois Insurance Department.

The presence of representatives of the company, diligently engaged in looking over the books and asking important questions, remove any suspicion that may have existed that politics would play a part in the present controversy over administrative control. Officers of this state are as much interested in the welfare of the stockholders and policyholders and those in New York, New Jersey and Michigan.

One of the serious charges Supt. Hanson is looking into is that although Victory Life was authorized to sell 8,000 shares of stock to the public it has accepted payment on 1,100 additional contrary to law. Some of the over-subscribed stock has been paid for in full, which explains the inability of Dr. Simeon Pottinger of New York and others to have issued to them the stock certificates to which they are entitled.

Savory Disproves Statements

As the result of an address made by Dr. P. M. H. Savory of New York to more than one hundred local stockholders April 26 at the Pythian Building, a large number of Chicago residents owning stock in or carrying policies with Victory Life have joined with James E. Stamps, former manager of agencies, in demanding that the company's business be conducted by efficient management. Augustus L. Williams, a lawyer, who has been supporting the Overton administration is in the "save the company" movement.

Two statements circulated among the Chicago stockholders and policyholders were emphatically denied and disproved by Dr. Savory. One was that easterners were seeking to desert the company. The other was that a scheme has been hatched to transfer the home office from Chicago to New York. Dr. Savory pointed

out the absurdity of moving the main headquarters to the East in view of the new \$250,000 building just erected by the company, and the big financial loss Victory Life would sustain if its present plans of occupancy were not carried out.

He charged that it was Anthony Overton, if anybody, who was bent on destroying the company by his various acts of mismanagement and cited specific transactions in which loans Overton made to relatives and others, backed by Douglass National Bank stock, had been criticised and forbidden by insurance departments of several states. In 1929, so objectionable was the president's investment policy, that the company was suspended for several days by the New York State Insurance Department.

Directors of the Victory Life Insurance Company had been invited to attend the meeting at which Dr. Savory spoke and give their side of the case, but none put in appearance.

On the same day the directors met and elected Dr. E. S. Miller, a friend of Anthony Overton, secretary, and V. D. Johnston, now connected with the business department of Howard University, and Mrs. E. O. Tibbs, assistant secretaries.

Trust Committee Formed To Save Victory Life

CHICAGO, Ill.—With a view to keeping the Victory Life intact and saving it either from dissolution or absorption, stockholders living in various states in which the company operates have formed a protective trust committee.

In appealing to stockholders for cooperation, the committee in a statement says: "There is no earthly way under the sun for an insurance company to fail if properly managed. Our financial predicament is due to our president's flagrant disregard of insurance laws, practices and advice by ranking insurance specialists. We are tentatively promised the money to stabilize our company but we must have a majority of stock in trust for them to act with us."

Some of the voting trustees are Dr. P. M. H. Savory, John W. Duncan, Dr. C. B. Powell, Dr. Conrad A. Edwards, James E. Stamps, Charles E. Shaw and Lloyd Isaacs.

Among the Detroit stockholders in the movement are Dr. Haley Bell, Dr. I. N. Wills and Dr. Owens.

SAVE THE VICTORY LIFE.

The unfortunate closing of the Douglass National Bank does not necessarily imply that a similar fate awaits the Victory Life of which Anthony Overton is president. Instead of becoming unduly alarmed or panicky over the situation it is the duty of every stockholder and policyholder to join in the movement to save the insurance company. This can be done if there is cooperation and advice is taken from those who have the best interests of Victory Life at heart.

With the Douglass National Bank involved in its present financial difficulties the bank stock Mr. Overton sold to the Victory Life and all loans made by the insurance company in which Douglass National Bank stock was put up as collateral are of doubtful value. The insurance departments of states in which the Victory Life operates will move to protect policyholders by demanding that new money be substituted for the bank stock in question.

If the business of Victory Life is to be conserved and the affairs of the company put on a firm basis it will depend very largely on the ability of the stockholders to get together and agree upon a constructive plan of action. This can be done if selfish considerations and factional strife are swept aside. Already there has been too much of the "rule or ruin" policy with disastrous results.

Stockholders living in Illinois and New York have formed a protective Trust Committee to put Victory Life Insurance on solid ground. This can be done, and under capable management the company can be made a paying proposition. The committee has been tentatively assured of sufficient money to make good any worthless stock it may now carry, but in order to get the desired financial aid it must have a majority of the stock as a voting trust.

It would be a great blow to Negro business if the Victory Life Insurance Company were dissolved. It would be a most unpopular move if those at present in control should see fit to close the company and turn it over to another. Neither dissolution nor absorption by another con-

cern can be consummated if the majority of stockholders organize to protect themselves. If the stockholders are really in earnest about stabilizing the Victory Life they will join the Protective Trust Committee. This seems to be the only sensible and practicable way out.

VICTORY LIFE ORDERED TO SUSPEND SOLICITING

CHICAGO, June 6 (ANP).—Examiners of the Insurance Department of the State of Illinois, who have been investigating the financial condition of the Victory Life Insurance Company for more than two months, submitted their report last week with the recommendation that the right of the company to solicit new business be suspended pending a conference with representatives of the insurance department June 15.

OVERTON THROWS VICTORY LIFE INTO RECEIVERSHIP

A. A. McKinley, White, Is Named Receiver For Well-Known Chicago Company—Was Another Pillar In Overton's Former Business Empire.

CHICAGO, July 14—(ANP)—Once more the structure of the crumbling financial empire built up by Anthony Overton crashed when, on July 6, Judge John Wilkerson in the Federal court appointed Archibald A. McKinley, white, receiver for the Victory Life Insurance Company.

Information regarding the receivership was given out Thursday by the company in the form of a prepared statement. This and for the purpose of affording protection to the policyholders and stockholders.

"On a petition filed to the Federal court, Judge Wilkerson on July 6, 1932, appointed A. A. McKinley as receiver of the assets of the Victory Life Insurance Company with the power to continue operation of said company.

"The appointment of the receiver was predicated on allegations that various stockholders and directors had been spreading propaganda to injure the financial strength and solidity of the life insurance company and that because of the activities of said stockholders and directors it was deemed best to have a receiver appointed for the purpose of conserving and preserv-

"In the meantime the company will continue to operate just as it has operated, except with the additional protection and guidance of the arm of the Federal court of the United States."

Investigation by the Associated Negro Press, however, disclosed that there was considerably more to the appointment of the receiver than the prepared statement of the company revealed.

It was learned that the final throwing of the company into receivership was probably engineered by the Overton interests, so-called, to protect their control of the company, and that the receivership action was just one more skirmish in the battle which was begun early in the spring when Charles Shaw, then secretary of the company, and James E. Stamps, director of agencies, and both directors of the company, were summarily dismissed by the board of trustees.

Shaw and Stamps charged Anthony Overton with a series of serious irregularities in the operation of the company and, as soon as they were out, lined up a block of the directors and stockholders in support of their contentions.

Early in June, following the closing of the Douglass National bank, in which much of the money of the company was invested, the insurance department of the State of Illinois, ordered the company to cease writing any business because of an impairment in its assets amounting to \$337,000. Mr. Overton at that time expressed the belief that the examiners had set the impairment too high and that if it were more accurately appraised the company would be able to overcome the impairment.

It was stated generally that prior to the closing of the Douglass National bank, Mr. Overton kept several of the directors bound to him through favors shown them by the bank, but that the failure of the institution has operated to release them and that they have since joined the group of eastern directors and stockholders, led by Dr. P. M. H. Savory of New York, who have been clamoring for a change in the management of the company, and charging that Overton was wrecking it in the interests of his family.

Although it was denied at the company offices Friday morning that the president had knowledge of the receivership action, it was learned that the suit was filed by V. D. Johnston, formerly secretary of the company and now budget master of Howard university.

Attorney Richard Hill, Jr., Overton's son-in-law, and former president of the Douglass National bank, appeared as attorney of record in the case and consented to the appointment of the receiver. He waived the filing of a bond by the plaintiff, Johnston.

VICTORY LIFE INSURANCE COMPANY IN HANDS OF RECEIVERS ON STOCKHOLDER'S PETITION

Special to the New York Age

CHICAGO, Ill.—The Victory Life Insurance Company went into the hands of receivers when on Wednesday, July 6, Federal Judge Wilkerson of the United States District Court, Northern District of Illinois, Eastern Division, granted the plea made by Virginius D. Johnston, assistant secretary of the company, that a receiver be appointed, since the company was insolvent by the amount of \$137,221.81. Mr. Johnston filed his plea in the U. S. Court on Tuesday, July 5, and the next day Judge Wilkerson appointed A. A. McKinley, white, to be the receiver.

Mr. Johnston, an employee in the office of the budget director of Howard University, Washington, D. C., in a lengthy petition to the court stated that for more than a year last past he has been stockholder of the Victory Life Insurance Company and that he holds 288 shares of its capital stock. He told the court that the petition for a receivership was necessary because from a recent financial statement of the company's business it was shown that admitted assets were \$950,408.87 while liabilities have been fixed at \$1,087,630.68.

Caused by Dissension

The petitioner who is said to have been a close friend of Anthony A. Overton, president of the company, at length recounted to the court the already well known story of the internal dissensions existing in the company among the board of directors and stated that among the causes for his seeking the receivership was the activity on the part of Charles A. Shaw, former secretary, and James E. Stamps, former director of agencies, to persuade a majority of the stockholders to deposit their stock in trust, thereby hoping to gain control of the company and control the election of its directors and officers. He stated that this had been damaging to the interests, business, and assets of the Victory Life Insurance Company.

In detailing a financial statement of

the company's assets and liabilities, Mr. Johnston cited the findings of the examination made by the Department of Trade and Commerce, Division of Insurance, of the State of Illinois, in May, 1932.

Capital Stock Wiped Out

He stated "that according to the examination and report there is an impairment of the capital of the said Victory Life Insurance Company in the amount of \$337,221.81; that is to say, its capital stock of \$200,000 has been entirely wiped out and the said Victory Life Insurance Company is insolvent by the amount of \$137,221.81.

A further reason given for asking the receivership was the fact that the income of the company in the past years had decreased from about \$40,000 a month to \$29,000 per month and that the company is unable to pay its death claims as they accrue and become due and payable under and by the terms and conditions of its insurance policies outstanding.

Creditors Pressing Claims

He said that a large number of creditors are pressing for immediate payment of their respective claims and various suits have been started and are now pending in the various courts of Illinois and other states. He believed that the only way the company could pay its indebtedness

is by the continued maintenance and operation of its business for a limited period of time until its assets and properties can be liquidated and sold.

One ray of hope he saw was in the statement that "The affairs of said Victory Life Insurance are in such condition that it can be reorganized and said company saved from liquidation and dissolution that its life insurance can be re-insured and the responsibilities and liabilities of the company fully and completely assumed and undertaken by another insurance company owning and possessing assets of unquestionable worth and value now engaged in the business of life insurance in accordance with the laws of the State of Illinois."

While asking for a full receivership of the company's business, Mr. Johnston asked that the receiver "not in any manner or by any means liquidate the business and affairs of the said Victory Life Insurance Company."

RECEIVER OF INS. COMPANY MOSTLY MUM

9-24-32
White Concern Out For
Business Started
By Overton

LETTERS UNANSWERED

Negro Companies Will-
ing And Able To Re-
insure Policyholders

By G. JAMES FLEMING
For Journal and Guide and Coopera-
tive Publishers Service

Will Victory Life Insurance Com-
pany make a come back or will it
not?

This is the question that policy-
holders and others interested in the

progress of Negro business are making as they look over the remains of National Benefit with its expensive receivership, as conflicting rumors concerning Victory Life make their rounds, and as no public announcement has been forthcoming from the receivers of the Chicago company.

If the company cannot be saved, the consensus of opinion among insurance executives favors the reinsurance of the company's risks by reputable Negro companies and to do this early enough so that confidence in Negro business will not be further undermined by failures of recent years.

Archibald A. McKinley, the white receiver of the company, has not seen fit to answer the letters of other insurance companies or newspapers in regard to the future of the company, but last week he told Claude A. Barnett, of the Associated Negro Press that he "expects definitely to work Victory Life out of its present position," and to both Mr. Barnett and in a letter to John T. Risher, a policyholder of Washington, he told of the plans he contemplates. To Mr. Risher he wrote:

Tells of Retrenchment

"Among the first things which we intend doing in the retrenchment program of the Victory Life is to get a fair appraisal of the assets of the company. It is our honest opinion that the recent examination made by the Illinois Department did not give an equitable valuation of the various assets held by the Victory Life Insurance Company.

"When this is done, there will not be so much retrenchment as it is the common belief. I doubt if the statement will show any impairment at all and if any, it will be so small that it can be easily taken care of."

Mr. McKinley is of the opinion that the Illinois Insurance Department erred when it reached the high figure of \$337,000 as the degree of impairment of the company.

Says No Need For Fear

A revaluation of these, he told Mr. Barnett, together with a reduction of the \$200,000 capital to \$100,000 should reduce the impairment to \$50,000, which it will be comparatively easy to raise, he feels, thus giving the company back to its stockholders intact.

"I am sure this will make it clear to you," adds Mr. McKinley, "that the policyholders have absolutely nothing to fear."

All Negroes are uneasy, however, as is seen from the fact that the business of Victory Life has dropped 25 per cent since the receivership, and other Negro-owned companies find it more difficult to "sell" them-

selves to Negroes due to the uncertain atmosphere. Besides, in other cases policyholders have lost after receivers or officers advised "there is nothing to fear."

White Company Active

To keep the business of Victory Life in the hands of Negroes is desirable, but already the Washington National Life Insurance Company of Chicago, white, has been making efforts to secure the business of the company.

One of the questions asked the receiver was this:

"If other life insurance companies should show their capacity to reinsure Victory Life policyholders would you endorse such steps?"

No answer came from the receivers, but it was found that there are Negro companies which feel themselves able and are willing to reinsure Victory Life risks in their territory.

Pilgrim Life Willing

"It is our opinion that the Negro life insurance companies should be very happy to reinsure the Victory Life Insurance Company on a safe, scientific and economical basis, and our company would gladly consider the reinsurance of any risks that are located in the territory in which we operate," writes W. L. Hornsby, general manager of the Pilgrim Health and Life Insurance Company, Augusta, Ga.

The Atlanta Life Insurance Company, which has just completed reinsuring its fifteenth company in 27 years finds that it would not be a "paying proposition" to buy any of Victory Life's business since the companies operate in different territories, but it endorses the idea, and E. M. Martin, its secretary writes:

Warns of Receivers

"I believe that it would be a fine thing, provided the Company cannot be saved, if the business could be underwritten by Negro companies operating in the same territory, provided, of course, the receivers have not further impaired the reserves and are willing to dispose of the business on a reasonable basis.

"It has been our experience that, as a general rule, regardless of whether an institution is owned and operated by colored or white people, the receiver seldom turns it over until he himself takes over and disposes of practically all the remaining assets.

"I hope that this will not be true of the assets of the Victory Life, but, if history repeats itself, when the assets of the Victory Life come out of the hands of the receiver, they will be very, very greatly impaired."

C. C. Spaulding Speaks

C. C. Spaulding, president of the

North Carolina Mutual Life Insurance Company, after expressing his interest in maintaining both the goodwill and confidence of the Negro buying public in Negro business, goes on to say:

"We wish to state that our company would be willing to reinsure the business of the Victory Life Insurance Company in the territory where we are now operating, if given an opportunity to do so. We were hoping, however, that they would be able to extricate themselves, reorganize and continue business."

"In case they do not do so, it will be far better for the policyholders to be reinsured with some reputable company than to have them continue under receivership, and it appears to us that it would be just the thing that the officials of the company would want done to show their good faith to their policyholders."

Supreme Liberty Life Interested

For more than a year prior to the collapse of Victory Life, it is known that the Supreme Liberty Life Insurance Company of Chicago, sought and held numerous conferences with officials of Victory Life for the purpose of strengthening their position by a consolidation of the companies. These plans did not go through.

On July 23, after it had been rumored that a white company was trying to get the business, Harry H. Pace, president of the Supreme Liberty Life, addressed a letter to both Anthony A. Overton, head of the Victory Life and the receiver, to which he received no reply. In this letter he stated:

"Now in order that the record may be kept straight, and in order that our silence may not be misconstrued against us, we beg to say that if and when a decision is reached, that it is desirable to reinsure the business of Victory Life Insurance Company, we urge that this company (Supreme Liberty Life) be considered for that purpose."

Willing and Prepared

"We are not only willing but we are prepared to meet any honest offer that is made in connection with the reinsurance of your company's business. We believe that we can meet more nearly the conditions which are desired to the effect that policyholders be given full and complete protection, and we believe that there will be more general satisfaction on the part of policyholders, stockholders, the public and the Insurance Departments generally, if the business is turned over to another colored organization capable of carrying out the terms of the contract, than they would be if the business were turned over to an insurance company of another race."

In a statement for this article, President Pace declares: "We would

prefer even yet that the Victory Life be reorganized and be safe as a separate going institution rather than for us to be the beneficiary of its business which would place us in the fore front of other institutions as to the magnitude of its resources, but if the company cannot be saved and cannot be reorganized, our company is not only willing to reinsure the Victory Life policyholders, wherever they may be located, but it is in the position of being able to do so on a moment's notice."

On "Moment's Notice"

The receivers must either (1) reorganize the company, safeguarding the investments of the stockholder; (2) reorganize it as a mutual (policyholders') company; (3) allow it to be reinsured, or (4) continue the receivership indefinitely until the assets are no more and both policyholders and stockholders lose.

Several stockholders who, due to their positions, would not be quoted, expressed the opinion that the Victory Life Insurance Company can be reorganized, and that mutualization or reinsurance should be used as a last resort.

Mr. McKinley, Victory Life receiver has not accepted any fees as yet. The general receivers of the National Benefit, however, received \$5,000 for the first four months of service while the two Virginia receivers of the company are collecting \$500 each per month.

The fall off in business, the high cost of receivership, the potential losses, and the effects of failing concerns on other businesses are the factors which conjure fear, and the business of the Victory Life, the better it will be for all concerned.

ATTEMPTED MERGER NOW GIVEN AS THE REASON FOR VICTORY LIFE FLARE-UP; COMPROMISE UNLIKELY

Plea Made For Public Confidence By Overton

CHICAGO —(ANP)— The background against which the difficulties of the Victory Life Insurance Company may be sketched, began to assume shape this week as the two factions of officers including President Anthony Overton and his two sons-in-law, Richard Hill and Julian Lewis, as opposed to James E. Stamps, manager of agencies, Charles A. Shaw, secretary, and Dr. P. M. Savory, vice president and chief spokesman for a group of New York stockholders, rested on their arms.

A truce had been imposed because of the temporary injunction granted by Justice McGooty in the Chancery Court to Stamps and Shaw, who had been ousted summarily by the Overton controlled board of directors. The two are back on the job and further overt moves are not expected until the court hears the merits of the bill of injunction.

The underlying cause of the outbreak in Victory Life, according to Stamps and Shaw was the negotiations being conducted by Mr. Overton to merge Victory Life with the Supreme Liberty Life Insurance Company, in the process of which they charged that he had arranged for the retention of himself and his sons-in-law but had been willing to sacrifice all of the other officials of the company.

They feel, they said in an interview with the Associated Negro Press, that such an attitude was gross ingratitude for the efforts which they and other officers had been making to promote the organization.

Attempted Merger Story

The story of the attempted merger as told by Mr. Stamps is as follows:

Over a period of two or three years but more frequently during the past few months, conferences

have been held between officials of the Supreme Liberty, Harry Pace and Truman Gibson, chiefly, and Mr. Overton looking forward to the consummation of a plan which would bring the two organizations together. There was a hitch over the presidency, both Messrs. Overton and Pace being reported as desirous of heading the new concern. Mr. Overton is said to have presented a slate which included himself as president, Richard Hill as general counsel, and Dr. Julian Lewis as vice president and medical director. He is represented as having been willing to leave all other officers to the Supreme Liberty group.

In order to consummate the deal, according to Stamps, it was felt necessary to secure the support of Dr. Savory of New York, who serves as a spokesman for New York stockholders owning more Victory Life stock than all the other stockholders put together with the exception of Mr. Overton.

Monetary Offer Aired

A white stock salesman is said to have been the intermediary in a feud between Dr. Savory and Harry Pace preventing personal negotiations. The physician claims that he was offered \$10,000 to agree to the merger under the terms as outlined. Instead Dr. Savory refused, informed Stamps, and made a public declaration of the offer at the stockholders meeting last January. He confirmed the report to an Associated Negro Press reporter in New York last week.

Stamps and Shaw declare that their suspicions already aroused by activities involving what they call nepotism and high financing, decided, they say, to fight. Their efforts to control proxies at the meeting and their subsequent dismissal followed.

Admits Merger Discussed

Mr. Overton when interviewed admitted that he has always been favorable to mergers of insurance companies if same could be perfect on an equal basis—accordingly he has discussed the matter in a preliminary way with two or three Negro insurance companies, one of which was the Supreme Liberty Life before the Supreme Liberty

merger and with the said merged company.

On one occasion wherein the Douglass National Bank desired to exchange some of their mortgages with the Supreme Liberty for securities which it was reported the Supreme Liberty held, Pace tended to make the merger of the two companies a condition upon which the granting of the exchange might be made, it was said.

He stated that as merger discussions had not advanced beyond the preliminary stage—that some position or persons did not enter the discussion; and notwithstanding Stamps had proven unsatisfactory, he doubts that he entered the discussion. Shaw was regarded as a good publicity man—but never felt he had the training or ability to make a superior secretary.

Pace's Version

Mr. Pace's version of the merger negotiations agreed in principle with Mr. Overton's but differed somewhat in pattern. He said he had never believed Mr. Overton sincere in his desires to merge because while Overton was always willing to discuss the officers-to-be, he was never willing to lay his cards upon the table as to the condition of his company or present detailed figures which would enable them to work out a plan of actual consolidation. Pace said he would hardly have permitted his ambition to be president to stand in the way.

It is probable that the injunction which protects Stamps and Shaw in their jobs will not come up for a hearing for two or three months. In the meantime various forces are said to be seeking a compromise of the difficulties which beset the organization, long one of the prides of business life in Chicago.

Compromise Unlikely

When asked whether there was the possibility of a compromise Mr. Overton replied that any such move would have to come from the inside. Shaw and Stamps replying to the same question said there was no chance of a compromise.

One change in the organization has been made. President Overton announced a successor to Shaw in the position of assistant to the president, a job not covered by the injunction. I. J. Joseph, who was with the company during the early days of its organization, is to be the assistant. Mr. Overton told the assembled office force Thursday morning, that due to his frequent absences from the office, Joseph would act as president when he was not in the office.

Joseph severed his connection with Victory Life three or four years ago when he was general manager, giving as a reason the fact that that year he was refused election as a vice presi-

dent.

Overton Issues Statement

When Shaw and Stamps were summarily dismissed from the employ of the company, Saturday, March 12, at a meeting of the board of directors Shaw left almost immediately for New York on business of the company and returned to this city Tuesday of last week.

Following their dismissal, Shaw and Stamps submitted a statement containing a list of irregularities involving Anthony Overton, president of the company and chairman of its board of directors.

An attempt was made to obtain a statement from Mr. Overton, who at first declined to be interviewed on the matter, but later yielded to the suggestion of his son-in-law, Atty. Richard Hill, Jr., a director of the company, to give the newspapers a statement.

Hits Biased Statements

Mr. Overton's statement in part says: "The Victory Life Insurance Company's financial state filed with the insurance department of the State of Illinois of December 31, 1931, shows the satisfactory condition of the company."

"Certain garbled, distorted, prejudiced and biased statements sent to the press by certain disgruntled, discharged employees, which were designed to give the public an untrue picture of the management, and, that might reflect upon the solvency of the company, necessitates a plain statement of true facts that will refute the slanders, misstatements and aspersions fathered by twin lecherous ingrates, who, having been succored, fed and fattened, would not only bite the hand that fed them, but, like Sampson, in their blind rage would pull down the pillars of this financial temple of strength about the ears of their benefactors, the officers, stockholders, and policyholders of the company."

He denied that the Victory Life was "the cocoon of the Douglas National bank to be milked at will."

"The two institutions have been to the mutual advantage of them only, neither members of my family nor myself have profited for been paid one penny except for actual services rendered."

His Overthrow Sought

Mr. Overton charges that "neither Stamps nor Shaw owned one share of stock in the Victory Life Insurance Company, prior to September-October, 1931, when, solely to carry out their schemes to disrupt the company, they invested" in stock purchases, as part of a plan to aid in my overthrow and the disruption of the board of directors. Over and against this showing I have to date invested \$225,000 of my own money in this enterprise.

"The 1844 shares of stock surrendered and cancelled by me in the interest of the company—and for which I did not receive one penny—cost me \$47.40 per share, or a total of \$87,590. Add to same the \$40,000 loan for which I did not receive one penny of benefit; makes a total of \$127,590."

"Notwithstanding the extreme sacrifice which I had made; constant ru-mors and information reached me that the very men benefitted most by my sacrifice, were plotting and scheming

to oust me from the presidency and elect Dr. Savory of New York as nominal president and James E. Stamps, executive vice-president, in full charge with Shaw as a more authoritative secretary and Isaacs as assistant secretary with increased powers. It was also rumored that in the course of time the company was to be moved to New York. This started almost immediately on V. D. Johnston leaving the company to go to Howard University.

"One of the first steps on the part of Dr. Savory as a preliminary show of his appreciation of their plans was at the special meeting to insist on voting each of the three an increase in salary. Originally I owned about 4008 of the 8000 shares. My having surrendered 1844 shares in the interest of the company, left me without control in fact with only one-third of the total."

Public Confidence Asked

"Unfounded rumors should have no part in disturbing the public confidence in a solvent enterprise of which the founder and his associates have spent years of toil, time, and money in building up in the the interest of and protection of the people."

It is reported that Mr. Overton will seek to have the temporary injunction through which the dismissed officers returned to their desks dissolved. Various interests are reported to be active in the effort to bring about a compromise between factions on the board of trustees for the purpose of putting a check to the unfavorable publicity which an airing of the company's affairs might give rise.

Mr. Overton said that press of business affairs had prevented his getting his statement out in time for release simultaneously with the signed statement of Messrs. Shaw and Stamps, as he had been invited to do.

**N. Y. INSURANCE
DEPT. SUSPENDS
VICTORY LIFE
LICENSE**

The New York Age has learned from a member of the board of directors of the Victory Life Insurance Co., Chicago, that the New York Insurance Department, on Tuesday, announced that that company's license in the State of New York has been suspended pending the outcome of an examination that is being conducted by the Illinois Insurance Department.

It is explained that this suspension will hold in force until the company has gotten rid of its present president, Anthony Overton, and also of certain assets invested in by Mr. Overton and now held by the company.

It is understood that the New Jersey Insurance Department also sent a telegram to Chicago making the suggestion that Overton had best be removed from the presidency.

Overton Strikes Back

Policy Holders Are Protected By Reserves--- Temporary Injunction Dissolved---Misman- agement Charge to Be Tried in Court

This hostile gesture has been precipitately made despite the fact that one-third of the company's combined business is transacted in these two states. Between \$4,000,000 and \$5,000,000 worth of insurance is in force in New York and \$1,000,000 in New Jersey.

Negroes of New York have manifested their faith and confidence in the integrity and administrative ability of Anthony Overton by pur-

Dr. P. M. H. Savory, vice president, and the largest New York stock holder, assures local policyholders that the action of the New York Insurance Department is based definitely and absolutely on the administration of the company's affairs by Anthony Overton, and that the withholding of renewal license does not affect them as they are protected, so long as they pay their premiums, by the reserve. Mrs Gertrude M. Savory, John W. Duncan and Dr. C. B. Powell, influential local stockholders, express similar views.

Row Over \$24,000 Assessment

The Victory Life Insurance Company owns \$72,000 worth of National Douglass Bank stock. In order to increase its deposits during the present financial crisis the bank directors voted to assess all holders of stock what amounted to about \$43 a share. Shaw and Stamps maintained that taking \$24,000 of the insurance company's funds to strengthen the bank's position was unfair to Victory Life. The secretary and manager of agencies were characterized as disloyal and trouble-makers by the president, who at a special meeting of the board of directors March 12, ousted them.

Judge McGoorty's injunction order, issued March 15, made it possible for Stamps and Shaw to resume their duties as executives of the Victory Life, but they are once more on the outside looking in as a result of the latest ruling. Judge McGoorty held that as long as the Comptroller of Currency had not closed the Douglass National Bank.

Among the important issues to be tried in court in the near future are, whether the election of board of directors was lawfully held last January; if the purchase by Overton of 375 shares of the Douglass National Bank stock at \$130 a share, which he is alleged to have sold to the Victory Life Insurance Company for \$160 a share, and his manipulation of bank stock and other securities, used as collateral, and in several instances questioned by the Insurance Departments of New York, Michigan and Missouri, were lawful practices.

**New Demands On
Overton To Pay
Loan And Get Out**

Ask Separation

The direct charge made by some eastern directors that Overton has deliberately made the Insurance Company so obligated to the bank to the extent that whenever the bank is in trouble that the Insurance Company must come to the bank's rescue in order to protect its own interests. They assert that this is unfair and unsafe for the insurance company because Over-

Demand Now Insistent

Directors Must Pay

One director who resigned stated that Overton in his one man rule of the bank has had the backing of enough directors so that opposition to his policies were of no avail and compared the situation to that of the defunct Binga bank. Some of the directors, he stated, borrowed the bank money through the largess of Overton and therefore disobeyed his command. The new effort to meet the present impairment of the bank's capital stock, the second impairment in the last year calls for the directors and Overton to pay their loans or give new or better collateral, this being particularly true in the case of Overton's loans. People who heretofore have kept their mouths shut on the policies of Overton are now seeing the error of their ways and are reporting each day new activities of the man who unquestionably intended to make himself and family secure in the handling of the business of two public institutions.

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This fact was disclosed during the trial on Tuesday of the plea for an injunction made in court by Charles A. Shaw and James E. Stamps, officers whom Overton and his board of directors attempted to dismiss from the company's service.

It is understood that the New Jersey Insurance Department also sent a telegram to Chicago making the suggestion that Overton had best be removed from the presidency.

It is stated however, that the New York office will be permitted to continue the collection of all premiums for the conserving of the business and protection of the policy-holders, but that agents will not be permitted to solicit or write new business until the Illinois examination is concluded, and the company has been rehabilitated by the removal of Overton.

Overton Strikes Back at Insurance Departments of New York and New Jersey for Suspending Victory Life

Policy Holders Are Protected By Reserves—Temporary Injunction Dissolved—Mismanagement Charge to Be Tried in Court

Taking exception to the action of Eastern State officials in ordering that no new business be solicited or accepted pending the outcome of the examination being conducted by the Illinois Insurance Department, President Anthony Overton has retaliated by announcing intention to withdraw the Victory Life Insurance Company from New York and New Jersey.

This hostile gesture has been precipitated despite the fact that one-third of the company's combined business is transacted in these two states. Between \$4,000,000 and \$5,000,000 worth of insurance is in force in New York and \$1,000,000 in New Jersey.

Negroes of New York have manifested their faith and confidence in the integrity and administrative ability of Anthony Overton by purchasing more than 3,000 shares of the 8,000 shares of stock sold by the Victory Life Insurance Company. The local stockholders number 512. The New York Insurance Department, three weeks ago, temporarily suspended the Victory Life directly

expressed a desire to quit the two states rather than work out a satisfactory solution on the basis of compromise.

Dr. P. M. H. Savory, vice president, and the largest New York stock holder, assures local policy-holders that the action of the New York Insurance Department is based definitely and absolutely on the administration of the company's affairs by Anthony Overton, and that the withholding of renewal license does not affect them as they are protected, so long as they pay their premiums, by the reserve. Mrs. Gertrude M. Savory, John W. Duncan and Dr. C. B. Powell, influential local stockholders, express similar views.

The New York Insurance Department, while withholding the privilege of writing new business until its demands have been met, has permitted all offices to remain open for the accommodation of policy-holders desirous of paying their premiums. I. J. Joseph, who has been appointed by Mr. Overton as assistant to the President, came to New York the first of the week to study the situation. He was formerly general manager. One-hundred persons are in the employ of Victory Life in New York and New Jersey.

Row Over \$24,000 Assessment

On Tuesday, April 5, Judge John P. McGoorty of the Superior Court of Cook County dissolved the temporary injunction issued at the instance of Charles A. Shaw and James E. Stamps, which enjoined Anthony Overton from ousting them of secretary and manager of agencies respectively. Opposition to Shaw and Stamps to Overton's insistence that the Victory Life Insurance Company pay the Douglass National Bank \$24,000 as a new assessment climaxed factional differences which had been brewing for months.

The Victory Life Insurance Company owns \$72,000 worth of National Douglass Bank stock. In order to increase its deposits during the present financial crisis the bank directors voted to assess all holders of stock what amounted to about \$43 a share. Shaw and Stamps maintained that taking \$24,000 of the insurance company's funds to strengthen the bank's position was unfair to Victory Life. The secretary and manager of agencies were characterized as disloyal and trouble-makers by the president, who at a special meeting of the board of directors March 12, ousted them.

Judge McGoorty's injunction order, issued March 15, made it possible for Stamps and Shaw to resume their duties as executives of the Victory Life, but they are once more on the outside looking in as a result of the latest ruling. Judge McGoorty held that as long as the Comptroller of Currency had not closed the Douglass National Bank,

the dispute over the \$24,000 assessment does not control by stock the insurance company while it is made by Shaw and Stamps were thought that he had been able by questions of law and not of equity, and therefore not within his jurisdiction. No decision was rendered as to the legality or illegality of any of the acts complained of. They will be adjudicated later.

Among the important issues to be tried in court in the near future are, whether the election of board of directors was lawfully held last January; if the purchase by Overton of 375 shares of the Douglass National Bank stock at \$130 a share, which he is alleged to have sold to the Victory Life Insurance Company for \$160 a share, and his manipulation of bank stock and other securities, used as collateral, and in several instances questioned by the Insurance Departments of New York, Michigan and Missouri, were lawful practices.

Since Judge McGoorty's decision on April 5, the Douglass National Bank has again been made a depository for the Victory Life Insurance Company, instead of the Continental Illinois Bank and Trust Company, which some months ago was chosen by Charles A. Shaw.

New Demands On Overton To Pay Loan And Get Out

Each day brings new objections to the "one-man" iron rule of Anthony Overton and his family of Douglass National bank and Victory Life Insurance company on the part of stockholders and even some of the directors who are not obligated to Overton through loans or other favors. Eastern stockholders of the Victory Life Insurance Company still smarting under the affronts of Overton in the last stockholders' meeting are determined that Overton shall pay the company every penny that he has borrowed and explain if necessary before a court of law or the Insurance Commissioners some of his "arbitrary" actions which have not helped the company. They are insisting that some of Overton's hand-picked directors either act in the interest of the company or be removed.

Ask Separation

The direct charge made by some eastern directors that Overton has deliberately made the Insurance Company so obligated to the bank to the extent that whenever the bank is in trouble that the Insurance Company must come to the bank's rescue in order to protect its own interests. They assert that this is unfair and unsafe for the insurance company because Over-

ton does not control by stock the insurance company while it is thought that he had been able by purchases to control the bank stock. This apparent desire to use the stockholders of one institution to aid himself gives grounds for the charge that he is selfish to a point which is dangerous. This fact combined with his securing loans from the bank for his newspaper, his manufacturing company and other interests simply means, says one director, that he is willing to use the bank as a means by which he can help himself through the bank and in the end penalize the insurance company tied as it is to the bank by Overton's action.

Demand Now Insistent

One bank director stated in an interview that both the insurance commissioners and the bank examiners have frowned upon this connection between bank and insurance company and have insisted that they be separated for some time. This Overton has not done and the demand is now made, said this director, that Overton be removed from the bank completely and the directors take the action necessary to remove him and force him to pay all personal loans of the bank will be closed. Overton however, even with a new president, and stripped of his fabulous salaries still is desperately trying to stay on, in characteristic obstinate fashion, the new bank president, Mr. Hill, his son-in-law, apparently hesitating to take the steps necessary to comply with the demand of the examiner. Some of the directors of the insurance company, however, refuse to pussyfoot and state that they are determined not to allow the rule of Overton either hurt of ruin the insurance company.

Directors Must Pay

One director who resigned stated that Overton in his one man rule of the bank has had the backing of enough directors so that opposition to his policies were of no avail and compared the situation to that of the defunct Binga bank. Some of the directors, he stated, obeyed the bank money through the largess of Overton and therefore they are insisting that he be removed. The new effort to meet the present impairment of the bank's capital stock, the second impairment in the last year calls for the directors and eastern directors that Overton has new or better collateral, this being deliberately made the Insurance Company particularly true in the case of Overton's loans. People who heretofore have kept their mouths shut on the policies of Overton are now seeing the error of their ways and are reporting each day new activities of the man who unquestionably is secure in the handling of the business of two public institutions.

The de-substantiate them, and I for one am object to the continuation of Overton's family rule of public institutions. Overton both pay and explain all Overton capitulates as has been requested by the authorities," said from taking action which might cause the consequences whatever they were. to be public and are directing may be the now insistent demand N. B.—These details referred to all their energies at making Overton of the stockholders. "The entire by the director will be made available in his declining years yield to matter in its details must be givenable and published in the columns new methods of handling institutions to the public so that the public of this paper. tions where there is a public trust may have the feeling that those who are making the charges can

Life

Illinois and New York Insurance Departments Move to Protect the Interests of Stock, Policyholders

Shaw, Stamps Secure Temporary Injunction Against Overton and Resume Administrative Duties; Company Finances in Good Shape

Developments in Victory Life Ins. Co. Controversy

Charles A. Shaw and James E. Stamps resume official duties after securing a temporary injunction restraining the Overton faction from ousting them as voted by the board of directors March 12.

The Illinois and New York State Insurance Departments, upon reviewing charges of irregularities made by Shaw and Stamps against President Anthony Overton, demand a reorganization of the company for the protection of stockholders and policyholders.

New York stockholders, owning approximately 2,500 shares, pledge Shaw-Stamps faction support.

Both groups make public announcement that the affairs of the company are in satisfactory condition.

CHICAGO, ILL.—Chas. A. Shaw, secretary of the Victory Life Insurance Company, and James E. Stamps, manager of agencies, who were ousted at a special meeting of the board of directors March 12 are again in active charge of the corporation's affairs, having been granted a temporary injunction by Judge John P. McGoorty of the Superior Court against President Anthony Overton, Richard Hill jr., and other members of the board. The writ was secured March 15, and the two administrative heads returned to work the following day.

Judge Mc Goorty's order enjoins authority of the board of directors from interfering with or annoying Shaw and Stamps from the performance of their duties such as was the custom prior to March 12, and restrains President Overton and his faction from performing or directing to be performed any act individually or collectively which required the au-

Overton Makes Charges

Anthony Overton as President of the Victory Life Insurance Company, issued the following telegraphic statement shortly before he had been served with the injunction writ:

"Stamps and Shaw dismissed by board without a dissenting vote except themselves. Statement of December 31, 1931, filed with insurance department compiled by Shaw shows financial conditions sound. Irregularities of Shaw and Stamps proven. Further action by the board contemplated. No one need be alarmed by any false statement made by disgruntled employees who are no longer with the company. Additional details."

President Overton is expected in the near future to give more specific reasons for his opposition to the continuance of Shaw and Stamps as Secretary and manager of agencies, respectively.

Allegations of Shaw and Stamps

The grounds on which Messrs. Shaw and Stamps secured a temporary injunction included the following charges:

"The authorized salary of the President up to January, 1929, was \$4,000 a year but on and after that date he demanded an additional salary of \$400 a month, making a total salary of \$8,800 a year. This amount was thereupon paid him by the then secretary of the company although no authorization for such salary appears in the minutes of the board of directors. In June 1931, the deputy commissioner of the Insurance Department of Michigan registered a protest against the payment of such a salary to a president who was giving very little time to the operation of the company and demanded that corrective measures be taken. This matter was presented by the then Acting-Secretary Mr. Shaw, to the board of directors in a special meeting. Mr. Overton protested against any reductions in salary and demanded that the authorized salary of \$4,000 be paid to him by check and the excess of \$4,800 per year be placed on the employees payroll and paid to him in cash. At this same meeting Messrs. Shaw and Stamps called attention to a collateral loan of \$10,000 that had been placed in the assets of the company prior to December 31, 1930. It was found that this was a personal loan to Overton in the name of George L. Vaughn, one of the agents, back of which was placed as collateral various securities of Dr. P. M. H. Savory of New York City, who had sent the securities to be used for another purpose, and had no knowledge of the fact that they had been used to secure a personal loan to

Overton. When a request was made by the board for a repayment of this loan he refused to do so and it was then decided to apply the Home Office rent to the loan in order to curtail it as much as possible.

"Another item in question was the advertising subsidy to the Chicago Bee a newspaper owned by Overton. He demanded a subsidy of \$500 per month for the Bee and was paid this amount from 1928 to 1931.

Home Office Rent

"The rent of the home office space was fixed by Overton at \$500 per month for a space that could have been secured in any other location for \$250 per month, but in spite of this already excessive rent he demanded an additional \$100 per month when we succeeded in stopping this advertising subsidy to the Bee. In addition to the \$600 per month rent he also demanded that the janitor of the building be paid \$45 per month and the switchboard operator of the Overton-Hynienic Manufacturing Company \$11.00 per month out of the income of Victory Life.

"Another method of using the company for personal benefit is found in his demand that all printing for the company be done by the Bee at prices which averaged two and three times the price that could be secured in the open market. Prior to the admittance of the company into the State of New York in 1926 Overton purchased a block of Douglas National Bank stock at \$130 to \$135 per share and sold it to Victory Life Insurance Company for \$160 per share thereby realizing a personal profit of between \$20,000 and \$30,000. One and one-half years after our admittance into New York he again placed into the assets of the company an additional 375 shares of Douglas National Bank stock for which he received a check dated June 11, 1928 and signed by Anthony Overton and V. D. Johnson for the sum of \$60,000, for which action no authorization appears in the minutes of the board of directors. In addition there are, at the present time, in the assets of the company personal loans to Overton and Hill, his son-in-law, in the name of Theodore Roane and Fred Creason to the amount of \$21,000 and \$36,000, respectively. All of Hill's loans are at present in default.

Another instance of using the company for the benefit of relatives is evidenced by the payment of a salary of \$200 per month to Julian H. Lewis, another son-in-law, who is employed by and gives all his time to the University of Chicago. He bears the title of medical director of the company but practically all of the work of this office is done by the assistant medical director, Dr. H. C. Tolbert, who is paid an additional salary. The latest development which is primarily responsible for the ouster proceedings was the demand on the part of Overton and his sons-in-law for Victory Life to pay to the bank an assessment of \$24,000 levied against its stock. Messrs Shaw Stamps and Isaacs protested against the payment of any assessment until the matter had been referred to the Insurance Department. Their position was declared untenable by Overton and Hill but upheld by the Illinois Insurance Department."

INJUNCTION RESTRAINS DISMISSAL

President, Secretary, Manager of Agencies

Issue Statements

3-23-32

CHICAGO, March 21 (Special to The Amsterdam News)—Charles A. Shaw, secretary of the Victory Life Insurance Company, and James E. Stamps, manager of agencies, who were ousted by President Anthony Overton and his faction at a special meeting of the board of directors on March 12, have again assumed active charge of the affairs of the company, under an injunction writ granted by Judge John P. McGoorty of the Superior Court of Cook county Friday.

Judge McGoorty's writ restrained Overton, his relatives and the directors of the company "from interfering with, or molesting, or annoying" Mr. Shaw and Mr. Stamps "from the performance of their duties in these offices such as was the custom prior to the twelfth of March, A. D., 1932."

Overton and his group also were restrained "from performing or directing to be performed any act in-

dividually, or collectively as individuals, which requires the authority of the board of directors of the company."

Other restraints were included in the writ designed to protect the assets of the company and the rights of the stockholders and policyholders.

Immediately following their dismissal from the board, the two ousted officials issued a statement through the Associated Negro Press, in which they severely criticized the administration of the affairs of the company under Mr. Overton, who denied the veracity of the charges in a telegram to The Amsterdam News.

A subsequent telegraphic message from the company's president asserted that "Stamps and Shaw were dismissed by the board of directors without a dissenting vote, except themselves." Overton also said that the December 31, 1931, statement filed with the Insurance Department, compiled by Shaw, shows that the financial condition of the company was sound and that he has unearthed certain irregularities against both of them on which the board contemplated further action.

The statement of the secretary and manager of agencies, set forth in three long pages, chronicles the alleged methods used by Overton to "bleed" the company for his own personal benefit and for the benefit of his relatives. In it they also claim that the board meeting which ousted them was illegal and pointed out that, while four members of the faction opposed to Overton were present when they were ousted, they took no

Under Fire



Anthony Overton

part in the proceedings because they considered them illegal.

The relatives of Overton on the board are: Richard Hill, Jr., son-in-law; Dr. Julian Lewis, son-in-law; Selton Fowler, son-in-law, and Dr. R. M. Young, brother-in-law of Dr. Lewis. The other members of the present board of directors of the company are: Sandy Trice, R. H. McGavock, Dr. Edward S. Miller, T. H. Samuels, Dr. I. M. Henderson, J. A. Howard, Dr. S. H. C. Owens, Detroit; Dr. Haley Bell, Detroit; Dr. O. Taylor, Cleveland; Dr. P. M. H. Savory, New York; Mrs. Gertrude Savory, New York; John W. Duncan, New York; Robert L. Brokenburr, Indianapolis, and W. E. Woodard.

Highlights in the charges made by Stamps and Shaw are as follows:

"That many of the investments being placed on the assets were illegal and contrary to the investment laws of the various insurance departments," and that V. D. Johnson, former secretary of the company now located in Washington, "made some effort to offset these illegal acts of Overton and his henchmen, but failed to elicit the co-operation of the other officers and members of the board or to advise them of the acts which were being committed."

That after the resignation of Johnston Messrs. Stamps, Shaw and Isaacs, the assistant secretary, made a thorough investigation of the affairs of the company and of the transactions which had been previously carried on. This investigation resulted in some startling disclosures and immediate steps were taken in an effort to correct some of them and to stop the bleeding of the company by Overton and his relatives."

That Overton illegally raised his salary from \$4,000 to \$8,000 per year, and that at the same meeting Messrs. Shaw and Stamps called attention to a collateral loan of \$10,000 that had been placed in the assets of the company prior to December 31, 1930, was found to be a personal loan to Overton in the name of George L. Vaughn, one of the agents of the company, back of which was placed as collateral various securities of Dr. Savory of New York City, who had sent the securities to be used for another purpose, and had no knowledge of the fact that they had been used to secure a personal loan to Overton.

That Overton demanded an advertising subsidy for his newspaper, The Chicago Bee, of \$500 per month and that this amount was paid "from 1928 to 1931, when a subsequent fight against this bleeding process was successful in stopping it."

That the rent of the Home Office space was fixed by Overton at \$500 per month for a space that could have been secured in any other location for \$250 per month, but in spite of this already excessive rent he demanded an additional \$100 per month rent when we succeeded in stopping this advertising subsidy to the Bee. In addition to the \$600 per month rent he also demanded that the jan-

itor of the building be paid \$45 per month and the switchboard operator of the Overton-Hygienic Manufacturing Company \$11 per month out of the income of Victory Life.

That Overton demanded "that all printing for the company be done by the Bee at prices which averaged two and three times the price that could be secured in the open market."

That Overton manipulated "the Douglass National Bank stock that was placed and continued in the assets of the company over the protests of the ousted officers and the Insurance Departments of Illinois, New York and Michigan." That "there are at the present time in the assets of the company personal loans to Overton and Hill, his son-in-law, in the names of Theodore Roane and Fred Creson to the amount of \$21,000 and \$36,000, respectively. All of Hill's loans are at present in default, and on Friday, March 11, 1932, the day before the illegally called meeting, Overton demanded an amount of the excess salary sufficient to pay the interest on his loans, which had been in default since December, 1931."

That "the payment of a salary of \$200 per month to Julian H. Lewis, another son-in-law, who is employed by and gives all of his time to the University of Chicago, is a needless waste of money since the duties of his office as medical director are performed by the assistant medical director, Dr. H. C. Tolbert, who is paid an additional salary."

SHAW, STAMPS TO PUSH STOCKHOLDERS FIGHT TO SAVE CO. FROM RUIN

At the hearing before Superior Court John P. McGoorty Tuesday upon the temporary injunction granted on the plea of Charles Shaw and J. E. Stamps to prevent Anthony Overton or his agents or associates from interfering with them in the performance of their duties as officers of the Victory Life Insurance, evidence was introduced to show that the Insurance Commissions of the states of New York and New Jersey have revoked the permits of the company to sell insurance in those states because of the mal-administration of the company by Anthony Overton as president of the company and his, Overton's failure to divorce the bank from the insurance company.

Atty. Patrick B. Prescott, representing Messrs. Stamps and Shaw, presented to the court the telegrams showing the action of the two eastern state commissions, making good the warning given several months ago that the company would be forbidden to continue doing business if Overton was not ousted and the affairs of the company put in proper order at the home office to insure the safety of policyholders in the east. Attorney Edward H. Morris, representing the Overton interests, succeeded in having the temporary injunction dissolved, but the bill of complaints charging malfeasance, gross mismanagement, misadministration, "juggling" of funds of the company under the administration of Overton as president will be referred to a master of chancery who will hold a hearing upon the charges at an early date.

To Continue Fight

The dissolving of the temporary injunction returns to its former status the action of Overton and a group of directors who ousted from their positions as officers of the company Stamps and Shaw. But as stockholders in the company, and as agents for a large group of eastern stockholders, Stamps and Shaw will continue the fight to preserve the interests of the stockholders from impairment through the one-man rule of the president.

In a recent trip to the east, Shaw revealed to the eastern stockholders, who as a body hold a large interest

in the company, the gross mismanagement and selfish administration of Overton, and received their endorsement to continue the fight in their interests. Stockholders in the Victory Life company, both in Chicago and elsewhere declare themselves dissatisfied with the Overton regime under which soft, and well-paying jobs have been made available for the president and members of his family, with a constant warfare against all officers who interfered with his selfish rule of the company and handling of the company funds.

Safety Paramount

The safety of the company for both stockholders and policy holders is the paramount issue at stake say prominent stockholders and the majority of stockholders, who are opposed to the Overton regime are determine to save the company from ruin and to restore its prestige, both locally and in other states, thru the removal of Overton from the presidency, and the operation of the business of the company on a safer and more conservative and economical basis.

Stamps and Shaw, acting for the stockholders, will present evidence of Mis management and misappropriation of funds at the hearing of their charges before the Mast of Chancery, and the stockholders fight to rescue the company from Overton's one-man rule will be based upon this case.

VICTORY LIFE GAINED IN 1931

CHICAGO—Despite the continued economic stress through which all insurance companies have passed during 1931, the premium income of the Victory Life Insurance Company was increased \$30,000 over the previous year.

This information was revealed in a report to more than 200 stockholders who assembled in their annual meeting here last week. Assets of the company increased by \$260,000, are now \$1,200,000, according to the report's figures.

The Agency Department reported progress throughout the entire year on the part of its managers and agents; paying for in 1931, five and one-half million dollars worth of business; an increase of more than a half million dollars over the corresponding period of 1930.

The medical department reported that the mortality during 1931 had been most favorable. The amount of money expended for death claims having been less than that during the previous year, and the mortality being 58 per cent of the expected. Lloyd Isaacs, who has served the company for four years in the capacity of assistant secretary, was elevated to the position of treasurer.

The other officers re-elected were: Anthony Overton, president; Dr. Julian H. Lewis, vice president; Richard Hill, Jr., general counsel; Chas. A. Shaw, secretary; R. H. McGavock, vice president; Jas. E. Stamps, manager of agencies; Dr. P. M. H. Savory, vice president; Esther O. Tibbs-Mann, actuary; and Crawford L. Robinson, auditor.

OVER \$1,200,000 ASSETS LISTED IN REPORT FOR 1931

Death Rate Of Policy-Holders Lower Than Expected

CHICAGO, Ill.—Despite the continued economic strain and stress through which all life insurance companies passed during 1931, the premium income of Victory Life was increased by \$30,000 over that of the previous year, and the company's record in the matter of growth of

admitted assets showed that this item had been increased by \$260,000 making the total now \$1,200,000.

These were among the important facts made known to the 200 stockholders of the company who gathered at the home office, 3621 South State Street, for the annual meeting held January 27.

The Agency Department reported progressive activity throughout the entire year on the part of its managers and agents; paying, in 1931, for five and one-half million dollars worth of business, an increase of more than a half million over the corresponding period of 1930.

Outstanding Agents Increase
This department further showed its strength in that the number of men who made outstanding records as having paid for more than a hundred thousand dollars worth of business was thirteen as compared with nine during the previous year.

Splendid work accomplished in the conservation of business. For while it is recognized that it is the most difficult thing to make a person hold on to his insurance during periods of depression, the Victory Life Insurance Company showed a net increase of the business in force for 1931 in excess of \$1,500,000, indicating that an unusual job was accomplished in the conservation of business.

The Medical Department reported that the mortality during 1931 had been most favorable. The amount of money expended for death claims having been less than that during the previous year, and the mortality being fifty-eight per cent of the expected.

Investment Losses Slight
It was pointed out that the investment policy of the Company had always been conservative. Hence, the depreciation in securities during these abnormal times had effected the Company only to a small extent.

The meeting closed with the election of officers for the year. Because of his thorough understanding and careful handling of the financial problems of a young life insurance company, Mr. Lloyd Isaacs, who has served the company for four years in the capacity of assistant secretary, was elevated to the position of treasurer.

The other officers re-elected were: Anthony Overton, president; Richard Hill, Jr., general counsel; R. H. McGavock, vice-president; Dr. P. M. H. Savory, vice-president; Chas. A. Shaw, secretary; James E. Stamps, manager of agencies; Esther O. Tibbs-Mann, actuary; and Crawford L. Robinson, auditor.

VICTORY LIFE CO. STOCK HOLDERS REBEL AGAINST 'ONE MAN RULE' OF PRES.

A smoldering resentment against Pres. Anthony Overton broke out at the last annual meeting of the stockholders of the Victory Life Insurance company and directors from the floor criticised in no uncertain terms what were described as "autocratic methods" of Mr. Overton as head of the company. The storm of disapproval broke when what has been described as Mr. Overton's hand-picked nominating committee brought in nominations for new directors. This committee was headed by Dr. Julian Lewis, Mr. Overton's son-in-law, and while this committee recommended Seldon Fowler, Mr. Overton's son-in-law and Everett Overton Mr. Overton's son the committee did not bring in the name of Director J. E. Stamps.

who as manager of agencies was responsible for the increase of a million and a half in insurance and over \$30,000.00 increase premium income over last year in the face of the depression.

Shaw and Savory Speak

Mr. Charles Shaw, secretary of the company rose to tell the assembled stockholders that Mr. Stamps had proven a highly efficient official of the company and had given the best in him for the interest of stockholders and policy holders. Dr. P. M. H. Savory, a New York director of the company and a heavy stockholder rose in defense of the elimination of Mr. Stamps and charged from the floor that Mr. Overton was at the bottom of the removal of Mr. Stamps, and directly charged Mr. Overton of using the company for his (Overton's) benefit citing several distinct cases. Mr. Jesse Washington likewise arose to protest against the elimination of Mr. Stamps.

Stamps Speaks

Mr. Stamps arose and stated that Mr. Overton's opposition to him was he had refused to agree to some of the operations of Mr. Overton in the matter of loans of the company's money which loans he (Stamps), thought could embarrass the company. Mr. Stamps won round after round applause from the stockholders as he revealed how

he had acted in the interests of the stockholders and the policy holders rather than blindly follow the orders of Mr. Overton, whom he charged as being selfish, personally ambitious and wanted nothing short of complete control of the company. The committee weakly stated that they had been told that "Stamps was not a good director," but refused to tell the questioners who had told them leaving the impression that it was the order of Mr. Overton to the committee. The committee standing thus embarrassed in the presence of the stockholders and without defense for their action except that it had been told what to do, gave color to the charge that Mr. Overton wanted to have his son and son-in-law and two other for the purpose of having a majority vote and eventually in the board of directors so that there not be any objections to his will.

In the tense situation and Overton's failure to answer the charge made, Dr. L. K. Williams move that the nominating committee go out and return with a new list with Mr. Stamps name included. This was done and when the vote was taken Mr. Stamps was among the elected. Mr. Overton in the course of his remarks boldly stated that he was angry that this year was the first year that his name was not the ONLY name on the proxies sent out but did not answer some of the charges made by Dr. Savory and Mr. Stamps. This action backin

up the honest, fearless stand of Mr. Stamps gave evidence that stockholders and some of the directors were thinking for themselves an acting on facts presented. Dr. Savory left for New York in a furious state of mind but determined that from now on the company was going to be run by more than one man and the full interest of the stockholders no matter how much time it took from practice. In this attitude Dr. Savory had the support of some of the directors who for some time have been voicing objections quietly but without effect.

PROTEST OUSTING NEW YORK OFFICERS

New Yorkers, Claiming That They Own One-half of \$200,000 Capital Stock, Oppose Overton's Alleged High-Handed Tactics.

NEW YORK, Feb. 18—New Yorkers who own approximately half of the \$200,000 capital stock of the Victory Life Insurance Company of Chicago are smoldering in their resentment against Anthony Overton, president, for what they termed as his "high-handed" methods and "czarist" attitude in the recent stockholders meeting, in which he reduced the New York membership on the board of directors from four to three after they had been given to understand that when changes in the directorate were made, the New York representation would be increased.

At the last stockholders meeting, held in Chicago on January 27th, Dr. C. B. Powell of New York City, who owns 160 shares of the company's stock, for which he paid \$12,000, was dropped from the board, and of the three new members named, none held more than three shares, it is claimed by the spokesman for the New York group. The new directors named were: G. Selton Fowler, husband of Mr. Overton's daughter, Dr. I. M. Anderson, and J. A. Howard, employees of Mr. Overton's interests. Also the attempt to oust James E. Stamps, director of agencies and a member of the board, was scored.

It is claimed Mr. Overton had when they were trying to raise the planned to get rid of both Stamps amount required to do business in and Charles A. Shaw, secretary, but the state, that if they helped sell the felt he could not put both of the stock, when vacancies occurred on commission on stock he sold to people who would not do business with stock salesmen, and each time he goes to Chicago he loses \$500 which is not covered by the company paying his traveling expenses. Dr. C. B. Powell also, suffered an equal loss from his business above his traveling expenses which the company paid each time he attended a meeting in Chicago.

It was stated that of the 21 members of the board, only nine have shown they will stand up for the rights of the stockholders against Mr. Overton's pet schemes. It was charged that the reason Mr. Overton sought to change the board was to get more men in who would back his ideas. Of the twelve directors who are pro-Overton, which includes Mr. Overton himself, it was charged that three are his relatives, and all the others, except one, are obligated to him because of loans, or other favors granted.

Mr. Overton even had Dr. L. K. Williams dropped from the board, it was said, because Dr. Williams opposed some of his ideas in principle. While Stamps was saved temporarily, it was believed some way will be found to get rid of him, because he very definitely came out in public opposition to Mr. Overton. Mr. Stamps, however, is backed by the New York stockholders, it was said.

The spokesman for the New York group said before Victory reached the point where it could qualify for doing business in New York state, it was agreed that no one should be elected to the board of directors who did not have shares to the amount of \$3,750 in the company. The first exception was made in the case of I. J. Joseph, at the time general manager of the company, because of the important position he held. But all agreed to the exception. The next exception made was in the case of V. D. Johnston, who was then secretary of the company. All agreed on that. But when Mr. Overton began to propose men who owned one and two shares, and who were also close relatives, or who were obligated to him, some of the board members began to object. In addition to that, while Mr. Overton's conduct of the company has been approved all along, some of his recent proposals were not universally approved in the board, and it is said Mr. Overton took advantage of having a majority in his favor and carried through some proposals to which others strenuously objected. This arbitrary action on his part aroused the suspicions of some of the members, and they began to question his authority more closely. Mr. Overton's answer was, it is said, to try to oust those who opposed him, and put in those who would O. K. his actions.

It was said that Mr. Overton told the New York stockholders in 1927

in the company, Dr. Savory has refused to accept approximately \$15,000 which would have come to him in commission on stock he sold to people who would not do business with stock salesmen, and each time he goes to Chicago he loses \$500 which is not covered by the company paying his traveling expenses. Dr. C. B. Powell also, suffered an equal loss from his business above his traveling expenses which the company paid each time he attended a meeting in Chicago. Although full revelations of Mr. Overton's "one man" activities as president of the company were not made to the stockholders at the last meeting, enough was brought out to arouse the interest of the shareholders. It was revealed that Mr. Stamps had opposed some loans Mr. Overton had proposed to make, and drew Monday, April 3, the right of loans made on stock held by relatives of Mr. Overton to the amount of almost \$50,000 was seriously criticized.

At the close of the last stockholders' meeting it is said that Dr. P. M. H. Savory of New York, who is vice president of the company, and together with his wife, Mrs. Gertrude H. Savory, is one of the largest stockholders, not only opposed Mr. Overton openly, but refused to shake his hand after the meeting. Mrs. Savory is alleged to have told Mr. Overton she did not know he was "such a liar," and is said to have predicted, if he continued his course, he would "end up in jail." It is claimed Mr. Overton told the stockholders that one reason why he did not want more New Yorkers on the board was because they wanted to take the home office to New York. But the New Yorkers declare that common sense would refute that statement, as it is against the law to invest money in real estate except that occupied as a home office building, and to bring the company to New York would mean at least \$250,000 would be required to get a home office building. They said they would not think of asking the company to consider such a proposal. But they declared they are interested in preserving the jobs of the 600 Victory employees, and are interested in having the public to continue its support of the company.

Another reason advanced as to why Mr. Overton has acted so strangely is that he is afraid he will be ousted from the presidency of the company, which pays him \$4,000 a year salary, plus. It was pointed out that Mr. Overton was actually forced out of the presidency of the Douglass National Bank, which paid him a salary, although his son-in-law, Richard Hill, who got the job, does not draw a salary.

It was stated that Dr. Savory that he has no desire to be president of Victory. His sacrifices in behalf of the company, it is said, will prove he is only interested in the business to continue as a going concern, furnishing employment and protection for the Negro public. In addition to his large stock investment

CUT OVERTON SALARY AS RESULT OF PROBE OF INS. STOCKHOLDERS

Following fast in the wake of the recent stockholders' meeting of the Victory Life Insurance Co. and the direct criticisms leveled at its president, Anthony Overton comes further criticisms from interested parties. Not only has the "one man" rule of Overton been bitterly assailed by Victory Life stockholders but other issues are now being freely discussed in the business and social life of the city. Since it has been discerned that Overton during the year of nineteen thirty drew \$8,500 as president of the Victory life and \$7,500 as president of the Douglass National the curiosity of many has piqued to learn just why he was receiving such large salaries in the face of the business depression. Suffice it to say that the salary at the bank has now been discontinued by a hard-headed board of directors led by Richard Hill. Overton's salary as president of the insurance has been reduced to \$4,000 in the insurance. Further drastic reductions are supposed to continue on with the gradual reduction of Overton's power. In fact the par value of the Victory Life perhaps will be cut from \$25 \$25 per share to \$20. Thus there will be ten thousand shares of stock at \$20 rather than eight thousand at \$25. The authorized capital remaining at \$200,000. This procedure is at least proposed and it is expected to pass at a special meeting of the stockholders to be held on March 7.

It is not expected that Mr. Overton will be permitted to negotiate further loans between the bank and the Insurance Co., inasmuch as the

Overton Hygienic Co., of which he is president is already indebted to the bank in the sum of \$25,000. In fact various loans having been made by the bank under Overton's presidency are puzzling the people now. These loans will aggregate \$92,000 and will be made public in a further writing as the process of de-bunking Overton continues. Read next issue of The Whip for further developments.

OVERTON WINS; STAMPS, SHAW LOSE IN COURT

CHICAGO, (AP)—The Insurance Commission of New York withdrew Monday, April 3, the right of the Victory Life Insurance company to solicit new business in that state. The temporary injunction restraining Anthony Overton, president of the company, from interfering with Charles A. Shaw and James E. Stamps in the performance of their duties was dissolved at a hearing Tuesday.

Overton announced the result as a victory and labels Stamps and Shaw as "Worst instigators in history." The charges against Overton made by them were not considered at the hearing as they are a part of a bill and suit which is to come up later.

Neither Shaw nor Stamps were at their desks Wednesday morning. Overton stated that the dissolution of the injunction made the discharge of Shaw and Stamps effective.

Edward H. Morris represented Overton at the hearing and Patrick B. Prescott represented Shaw and Stamps.

Pres. Overton Seeks To Reduce Capital Stock of Victory Co.

A special meeting of the stockholders of the Victory Life Insurance company has been called for the home office at Chicago for the afternoon of April 20, which time a resolution will be considered to reduce the capital stock of the company from \$200,000 to \$100,000, and that \$100,000 of the capital stock be converted into surplus, so as to enable the company to meet contingent liabilities.

New York directors and stockholders declare that this meeting is illegal, and are taking steps to prevent it being held. They say that

although the notice of the meeting was dated April 9, it was not mailed until April 15, thus not giving the stockholders 10 days notice as is required by law.

The announcement also states that the resolution was adopted by the directors at the regular meeting held on January 27.

Question Legality of Victory Life Meeting

SPRINGFIELD, Ill.—Harry W. Hanson, superintendent of the Division of Insurance for the State of Illinois, has been asked not to approve the resolution which Anthony Overton, president of Victory Life, had passed at a meeting held in Chicago April 20, which gives the company the right to reduce its capital stock from \$200,000 to \$100,000, the charge being made that proxies were illegally voted.

Stockholders received a notice for a meeting on March 9, to reduce the capital stock to \$160,000. As no quorum was present a similar notice was sent for March 21. Again not enough proxies were represented to transact business. A third notice advised that a meeting would be held April 20 to consider reducing the capital stock from \$200,000 to \$100,000.

The charge is made that Overton added the proxies sent in to be voted March 9 and March 21 for the reduction of capital stock to \$160,000, to those received in response to the call for the meeting on April 20, to reduce the capital stock to \$100,000 in order to get a quorum.

New York stockholders allege that although the law requires that notice for meetings should be sent ten days in advance, communications were mailed them only five days in advance.

At the meeting C. L. Robinson, former auditor, objected to the proceedings, holding that they were illegal, but was overruled by the president.

Insurance - 1932

Missouri.

Life.

AMERICAN BANKERS INSURANCE COMPANY HONORS NEGRO AGENTS

Argus
At an agency meeting held at the YMCA at 29th and Pine Streets, on Thursday, November 10th, by the American Bankers Insurance Company, several well known men connected with the Company were honored with service emblems. One of solid gold set with a ruby showing ten years continuous service was presented to John H. Commodore of 4248 W. Belle Place. A similar emblem showing five years service was presented to Alvin Wright of 3806 Cook Avenue. These are the first two service emblems that have been presented to any of the colored agents of the American Bankers service in St. Louis and the meeting was very impressive. The Emblems was presented by the Secretary and Agency Manager of the Company, Mr. R. Y. Rowe.

The American Bankers are using every effort to establish a clean cut Agency organization among the young colored men and women of St. Louis and feel that they should be entitled to the support of the people as they are attempting to provide employment in a gainful and life time occupation.

The colored people of St. Louis pay into the treasuries of a number of organizations similar to the American Bankers more than a Million Dollars a year. Many of these Companies, in fact, practically all do not offer any employment to the colored people.

The St. Louis Agency has been very successful with several of the men in years gone by and it is very anxious to receive applications for employment by any clean cut young men or women.

Life CLEANING HOUSE!

By Holloway



TELLS OF PROGRESS OF MANY CONCERNS

JACKSONVILLE, Fla., May 5.—The annual address of M. S. Stuart, president, was the highlight of the National Negro Insurance Association which met here last week as the guest of the Afro-American Life Insurance Company and associated companies of the state of Florida. Mr. Stuart, who is vice-president and general manager of the Universal Life Insurance Company, of Memphis, Tenn., was the first man to be elected head of the organization who is not president of an insurance company.

Mr. Stuart said in part: "The insurance business generally, while maintaining itself during the year with greater stability than other lines and with a negligible degree of outright failures, has not been at all immune from the effects of the depression. The decline in receipts, profits and productions of correlated business concerns have, of course, had an inevitable depressive effect on the insurance business. Especially has the decline in the market values of certain classes of securities, in which the larger companies have invested heavily become a threatening source of trouble to the administrative heads of these concerns. The question of safe and profitable investments of the assets of reserves of insurance companies has become a problem vexing in its nature even to the most highly trained investment experts. Basic values on which financiers have relied for centuries have for the past two years become disturbed and are now regarded with skepticism."

Although the depression hit the insurance business hard, Mr. Stuart reported no failures among companies which are members of the association.

A sensational feature of Mr. Stuart's address was his statement on "Big Buildings." He said: "It probably is profitable for every member company that can do so

to have a home office building sufficient to accommodate its home office work; but I doubt that money invested in any great deal of office space not necessary for its own use by any insurance company is a wise investment. Let us not imitate some of the larger fraternal concerns who seem to have labored under the impression that the glory of the insurance business was in big buildings. Large sums of policyholders' money, reserves in fact, have been tied up in imposing buildings; and when collections decreased and claims increased, when the money market of the country became practically closed, it was impossible to convert these buildings into anything liquid

major to borrow on them money to meet pressing claims. I could name for you several instances of this, and in more than one case these buildings are about to pass, or have actually passed from the control of our people... The margin of safety in our real estate investments should be wider. Much of the trouble of some of our major companies in the past has been caused by having become overloaded with real estate actually taken over and owned by the company."

W. H. Lee, secretary of the Afro-American Life Insurance Company of Jacksonville was elected to succeed Mr. Stuart. The next meeting will be held in Chicago.

LEE NEW HEAD OF INSURANCE MEN

JACKSONVILLE, Fla.—(ANP)—The twelfth annual session of the National Negro Insurance Association was held in this city Wednesday, Thursday and Friday of last week.

The only public meeting was held Wednesday evening in Bethel Baptist Church. Business sessions were conducted in the Shrine Room of the Masonic Temple and in the clubhouse of the Lincoln Golf and Country Club.

A majority of the companies represented were announced as being in fair shape, with fine programs ahead for the coming year. President M. S. Stuart and Secretary W. Ellis Stewart of Chicago, made annual reports and G. W. Cox of Durham, N.C., the treasurer, came forward with his report to close out the morning session of the first day. J. C. Spaulding spoke.

The following officers were elected for the ensuing year:

President, W. H. Lee; first vice-president, Dr. M. O. Bousfield; second vice-president, Dr. L. A. Howell; third vice-president, Dr. T. W. Josey; fourth vice-president, Dr. L. T. Burbridge; secretary, W. Ellis Stewart; assistant secretary, J. M. Baker; treasurer, J. A. Blume; chaplain, A. L. Lewis; statistician, Cy-

rus Campfield.
Executive committee: George W. Cox, chairman; M. S. Stuart, A. M. Carter, F. A. Toomer and P. J. E. DeJoie.
Chicago was selected as the next place of meeting, June, 1933.

Insurance Executives Go To Chicago Next Year

JACKSONVILLE, Fla.—(ANP)—At the twelfth annual session of the National Negro Insurance Association, here, a majority of the companies represented were announced as being in fair shape, with fine programs ahead for the coming year.

The following officers were elected for the ensuing year: president, W. H. Lee; first vice-president, Dr. M. O. Bousfield; second vice-president, Dr. L. A. Howell; 3rd vice president, Dr. T. W. Josey; 4th vice president, Dr. L. T. Burbridge; secretary, W. Ellis Stewart; assistant secretary, J. M. Baker; treasurer, J. A. Blume; chaplain, A. L. Lewis; statistician, Cyrus Campfield; executive committee, George W. Cox, chairman; M. S. Stuart; A. M. Carter; F. A. Toomer and P. J. E. Dejoie.

Chicago was selected as the next place of meeting, June, 1933.

Insurance Meet

Great Success

(By the Associated Negro Press)

Jacksonville, Fla., April 29.—The twelfth annual session of the National Negro Insurance Association was held in this city Wednesday, Thursday and Friday of last week.

The only public meeting was held Wednesday evening in Bethel Baptist church. Business sessions were conducted in the Shrine Room of the Masonic Temple and in the club house of the Lincoln Golf and Country Club.

This annual meet will go down on record as being one of the most harmonious, inspiring and encouraging in the history of the organization. Considering the depressing conditions a large number of representatives were here from practically every section of the country.

Possibly the high point of the meet was the fact that a majority of the companies represented were announced as being in fair shape, with fine programs ahead for the coming year.

The secretary, W. Ellis Stewart of Chicago, made his annual report which was full of information, and G. W. Cox of Durham, N. C., the treasurer, came forward with his report to close out the morning session of the first day.

Life
**INCREASE REPORTED BY
DURHAM COMPANY**

**DURHAM, N. C.
HERALD**

NOV 25 1932

NEGROES SHOW THE WAY
(Greensboro News)

from price
DURHAM, N. C. — The Southern Fidelity and Surety Company reports gross income during 1931 of \$2.63 per share on the 7,610 shares outstanding, with premiums written amounting to \$13,117.76, an increase of 14 per cent over 1930.

1930/32
The expenses for the year decreased 24 per cent. The total assets were listed at \$131,979.66. The capital is \$76,100 and surplus \$43,723.98. The quotable securities owned are valued on basis prescribed by the Commissioner of Insurance, State of North Carolina.

President Pearson pointed out to the stockholders that the Company amply justifies its existence in the business world during times of depression. The Southern Fidelity has weathered all periods of financial stress and invariably has strengthened its position and its prestige because of the able manner in which all obligations have been met. Since organization the Company has paid out in losses in excess of \$10,000, all of which went to reimburse policy holders of the Company who might have been seriously affected without its protection.

The Company has recently placed on the market a "Funeral Benefit Policy," that costs only one cent per day. This addition to its lines now enables the public to obtain complete disability protection.

W. G. Pearson was re-elected president as was A. Moore Shearin, secretary-manager and L. W. Wilhoite, treasurer. The entire board of directors was re-elected.

The company is directly managed by such outstanding business leaders as C. C. Spaulding of the North Carolina Mutual Life Insurance Company; A. L. Lewis, of the Afro-American Life Insurance Company; L. W. Wilhoite, of the Bankers' Fire Insurance Company.

Carolina Insurance

Association Meets

Afro American
RALEIGH, N. C. — The North Carolina Mutual Negro Insurance Association met here recently in a successful meeting. Among the numerous speakers who brought messages stressing continued effort and greater cooperation were F. J. Carnage, ex-president of the organization; J. A. Blume of Winston-Salem; C. C. Spaulding of Durham; N. T. Mitchell, Raleigh; and E. Mitchell, Winston-Salem. *Baltimore Md.*

Newly elected officers are: J. H. Alexander of Winston-Salem, president; R. F. Lee of Wilmington, vice president; P. T. Boulware of New Bern, secretary; Misses Alma Harris of Winston-Salem and A. E. Spears of Charlotte, assistant secretaries.

Durham's growth, the late B. N. Duke many times observed, was retarded by its rich men; because it was the habit of the people whenever an enterprise was projected, to ask how much the Dukes, Mr. Watts or General Julian S. Carr would give.

Certainly the symmetrical development of Durham must have been often interrupted by the very riches of its general philanthropic citizens. Their examples in munificence more frequently were the signal for a general let-down than for self-extension. The Dukes, the Carrs and the Wattses passed out. The city goes on.

Much the same principle must have been at work in the founding and in the expansion of the North Carolina Mutual Life Insurance company about which the news columns furnished an interesting story yesterday. The North Carolina Mutual is a race expression. The Durham Negroes had no Carr, no Watts, no Duke. The planting of a large insurance company was a piece of rare pioneering. White companies hesitated to write insurance for black people. Whereupon, the disarvantaged people set about to write their own insurance. It will be a delight to every white North Carolinian to know that this institution has prospered in panic and depression, and that it has put its required investments very largely in its own city and state.

The three years just covered have not been kind to Negro business in the larger centers of population. But there is no hint of disaster in our neighbor city. Necessity mothered this institution and intelligence has husbanded it. We do not know of any business that has done better. The North Carolina Mutual has made a record in which all of the people have pride. If, as the Daily News staff correspondent suggests, there is an inharmony about the Durham company, the hoarseness will not come from croaking disaster, but from singing "good times."

Life
Courier 4-9-32
Pittsburgh, Pa.
**FIGHT BEGUN TO
GUARD MONEY OF
POLICYHOLDERS**

CLEVELAND, O., Apr. 7—Bursting through the legal entanglements which have enmeshed the National Benefit Life Insurance Company, a bill in equity, filed last week, has brought to the fore for the first time the interests of the policyholders of the company.

The bill, presented by Attorney Alexander H. Martin of this city, assisted by Ex-Senator At-large, and in many cases they have lee Pomerene, head of the largest funds with which to finance the pre-law firm in the State of Ohio, is an attempt on the part of the policyholders to take the company into their own hands.

Four File Petition

The petition of the policyholders, filed in Washington, D. C., last week, carried the names of Viola Maetich, Whitfield and William Finger of this city and Dr. Charles L. Mellon and James Mellon of Pittsburgh. In their petition they asked the court to do something for the policyholders before all of the money they had paid into the company is eaten up by receivers and lawyers hired by stockholders, who do not seem to care what becomes of the policyholders in the litigation thus far instituted to "save the company."

The petition marks the first legal step taken by the policyholders to mutualize the company. They contend—and rightly—that it was their money which has been flowing into and out of the hands of the officials of the company during all these years, and they feel that they should be given first consideration.

Policyholders' Committee Formed

In order to concentrate the activity of the policyholders, and have a centralized authority to be held responsible for all proceedings, as well as to be responsible to the public for all truthful information given out concerning the progress of the case, a committee has been selected for temporary purposes, to co-operate with the attorneys and policyholders. This committee will be enlarged as the matter proceeds. Men and women holding large policies, from \$1,000 up to \$5,000 and over, have been asked to serve on this committee, because their interests are

premium, and enjoying a large monthly income from premium payments, interest and otherwise.

The income of the company was said to be over \$60,000 per week, gathered from over 200,000 policyholders in the District of Columbia, Ohio, Pennsylvania, Michigan, Texas, West Virginia, Kentucky, Mississippi, Alabama, Georgia, Florida, Missouri, Arkansas, North Carolina, South Carolina, Tennessee and perhaps other States.

Rutherford-Dawson Combine

The petition also discloses the "inside" of the Rutherford-Dawson combine, alleging that Samuel W. Rutherford was founder and for many years secretary and manager. His son, Robert H. Rutherford, for many years was president and treasurer of the company, and Mortimer F. Smith was the assistant secretary and auditor. All three resigned in 1931.

The late Alfred B. Dawson, who committed suicide under mysterious circumstances last year, entered the picture in 1927, when the officers of the company, finding out that their liabilities were greater than their assets, secured the counsel of Miles M. Dawson and Son, Inc., of New York. The company's representative, Alfred B. Dawson, at that time became the active, actuarial, financial and business advisor of the corporation. It was under his guidance, the petition sets forth, that the officers of the company were induced and did make false and fraudulent statements and representations as to the true condition of the company to the insurance departments of the various States in which they were operating.

The Standard Life Angel

Prior to March 13, 1927, the Standard Life Insurance Company of Georgia had been a prosperous business, but mismanagement had put it on the rocks. The case was pending in the Superior Court of Fulton County, Atlanta, Ga., when, upon the advice of Dawson, the National Benefit took over the failing business of the Standard Life, inducing the court, through false and fraudulent representation of the financial condition of the National Benefit, to make an order permitting the acquisition of the business of the Georgia company. The policyholders, in their petition, claim the then existing impairment of the National Benefit was seriously increased.

Avoided Examination

The petition further states that the officers of the company concealed its true condition by avoiding a true examination and report of the condition of the company from any source from 1927 on.

The claim is also made that the management caused fictitious loans to be made, of which several controlling officers were the fraudulent beneficiaries, or loans that gave a

fictitious rating or set-up to the company.

A fraudulent and illegal "voting trust" was also established, the petition charges, which was so illegally operated as to divert from the treasury of the company to the pockets of the management many thousands of dollars, the exact amount being unknown. It was this, as much as anything else, the petition contends, which threw the affairs of the company into litigation. It is claimed that the impairment of the National Benefit is in an amount in excess of \$3,000,000.

To Act As Depository

The Cleveland Trust Company, one of the strongest banks in the State of Ohio, has consented to act as depository for the funds to be collected to finance the program of audit and mutualization, which, after all, is the only way the policyholders can be protected.

The stockholders admit the company is insolvent, but they have never said anything in court about the policyholders, whose money, in the form of premiums, made the company what it was in its balmy days.

Life.

Universal Life

Reinsures Wood-

men Of Union

9-29-32

FOR WOODMEN

John Webb, Woodmen Head,
Steps Down.

MEMPHIS. (ANP)—Dr. J. E. Walker, president of Universal Life Insurance Company here announced Wednesday that his or-

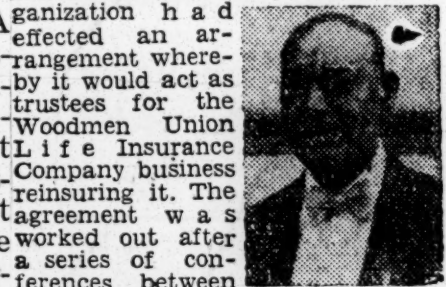
MEMPHIS, Sept. 29.—(ANP)—Dr. J. E. Walker, president of Universal Life Insurance company here, announced Wednesday that his organization had effected an arrangement whereby it would act as trustees for the Woodmen Union Life Insurance company business, reinsuring it. The agreement was worked out after a series of conferences between officers of the two companies and officials of the insurance departments of the two states.

Universal, according to information available, is not merging with Woodmen Union. It has agreed to administer the company, collect the premiums upon its outstanding business and to seek diligently to conserve its assets as far as possible the assets of both the policyholders and stockholders of the company.

Insurance men here are of the opinion that the move is an excellent one for both organizations. The Woodmen of Union company is saved from going into receivership.

John L. Webb, the financial giant, who sought three years ago to circumvent the decline of fraternal insurance, affecting the Woodmen of Union, and aid the youthful Century Life by merging the two organizations, retires from the field. The overhead incidental to operating Woodmen Union is sharply reduced while the experienced and competent Universal Life agency group headed by M. S. Stuart have the opportunity of doing a greatly increased business with comparatively the same force.

An announcement revealing the details of the merger is expected shortly from Universal Life officials.



John Webb

Universal is not merging with Woodmen Union. It has agreed to administer the company, collect the premiums upon its outstanding business and to seek diligently to conserve its assets and to preserve as far as possible the assets of both the policyholders and stockholders of the company.

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An announcement revealing the details of the merger is expected shortly from Universal Life officials.

Insurance - 1932

Texas.

Life.

NEW INSURANCE FIRM FORMED BY GALVESTON MEN

Galveston. — (Sp.) — The organization of the National Security Mutual Life Insurance Company in Galveston, adds another old line legal reserve concern to the list of Negro insurance companies in Texas.

The company has been granted a charter to do business in the state and officers have already set about to establish offices and agents for the organization.

Dr. E. A. Etter, is president of the company and J. B. Bowen, is secretary-treasurer.

"It is believed that the company will fill a long felt need among Galveston Negroes," said the Galveston Voice, Negro weekly, in last Saturday's issue.

Life.

ANOTHER TEXAS COMPANY

Negroes of Texas will welcome the Excelsior Mutual Life Insurance Company, recently launched in Dallas by "Pop" Strickland, Attorney A. S. Wells, Dr. Edgar Ward and J. M. Brown. May the company thrive and grow! 8-24-32

For a long time, all persons sincerely interested in Texas felt that Texas Negroes should have their own old line legal reserve companies. Finally, one was established in Houston, but it was soon evident that one company was not nearly enough, especially with two foreign companies that had carried a great part of the insurance of Texas Negroes in the hands of receivers.

As a race, we can never have economic independence until we plan it and build toward it. As long as we send all of our money to white insurance companies and foreign companies, we'll remain at the mercy of money sharks and also have to send our children away to hunt jobs.

But when we build our own financial institutions—and insurance companies aid in financing homes just as do banks—we shall add jobs for our sons and daughters and have an effective friend in the time of financial need.

There is no reason why Negroes in all Texas should not support this new institution. There is no true competition between the Watchtower and the Excelsior. They should, therefore, adopt a friendly attitude and cooperate to build good will and strength for Texas companies.

Fairness requires that we bear in mind that there are foreign Negro companies operating in Texas that are sound and paying off dollar for dollar. But as between, even a perfectly sound foreign company and a native one, Texas Negroes must choose the native company that gives its jobs to Texans and spends all of its money in Texas. What Texas builds, builds Texas!

Fire.
Fire Insurance Co.
for Cleveland

Ohio Insurance Co.
CLEVELAND, Ohio—Out of small beginnings the Guardian Fire Insurance Company of Cleveland, O., has wended and made its way over a period of several months and recently a charter was granted, making the company a reality. The organization was born through the efforts and ingenuity of Roy S. Rector and Angus Arrington, Jr.

Chartered members of the company are: *6-25-32*

Roscoe C. Callaway, restaurant business.

Arthur T. Abbott, fire insurance.

Elmer R. Whye, custodian, Y Service Co.

Talmadge Guy, Sanitary Department.

Miss Ellen Wormly, Cateress.

Preston Hastings, custodian, Carnegie

Hall. *Baltimore*

Dayton Beasley, auto mechanic.

Geo. L. Stokes, bond and *salesman*.

Leonard C. Dunn, accountant.

Mrs. Grace Bloodsaw, cateress.

William Mobley, cartage and express

business.

O'Neil Mitchell, welfare and social work.

Thomas Williamson, proprietor Douglas

Inn.

John H. Jones, patrolman.

W. T. Burke, city sanitary department.

Dr. R. T. Wise, medical doctor.

M. P. Gray, Pullman service.

Miss Marie J. Smith, cateress.

Angus Arrington, Jr., Deputy, Colored

Boy Scouts, Cuyahoga County, Clerk,

S. H. Kleinman Realty Co.

Ralph M. Tyler, U.S. deputy marshall.

William Sorden, custodian, Smythe Bldg.

Lewis W. Gains, retired business man.

Pontiac, Mich.

William C. Fisher, insurance salesman.

Russell Gross, head, Cedar Dairy Products

Company.

Miss Thelma Stokes, dietitian, Lakeside

Hospital.

Dennis C. Chandler, president Crusaders

of the World.

Lorenzo Irvin, embalmer.

J. B. Simmons, Jr., formerly assistant

manager of the Cleveland branch of the

Domestic Life Insurance Company.

J. L. Simms, accountant and business

executive, formerly secretary to the

president and publicity director, Wilber-

force University.

Roy S. Rector, formerly vice president

and general manager Middle Western

Mutual Insurance Co.